



ANNUAL REPORT 2025

DEUTZ GROUP: OVERVIEW

€ million

	2025	2024	Change	Q4 2025	Q4 2024	Change
New orders	2,077.7	1,827.1	13.7%	573.2	480.9	19.2%
Revenue	2,043.8	1,813.7	12.7%	543.4	507.8	7.0%
EBITDA (before exceptional items)	208.0	170.2	22.2%	61.9	44.6	38.8%
EBITDA margin (before exceptional items)	10.2%	9.4%	+0.8pp	11.4%	8.8%	+2.6pp
EBITDA	169.6	146.0	16.2%	58.9	37.7	56.2%
Adjusted EBIT (before exceptional items)	112.3	76.7	46.4%	36.8	19.4	89.7%
EBIT margin (before exceptional items)	5.5%	4.2%	+1.3pp	6.8%	3.8%	+3.0pp
Exceptional items	-38.4	-34.8	10.3%	-3.0	-17.5	-82.9%
EBIT	73.9	41.9	76.4%	33.8	1.9	1,678.9%
ROCE (before exceptional items) ¹	8.3%	6.6%	+1.7pp			
Free cash flow ²	-119.5	-153.1	21.9%	7.7	51.4	-85.0%
Free cash flow (before M&A)	44.2	30.0	47.3%	41.8	58.6	-28.7%
Net financial position ³	-269.4	-225.6	-19.4%			
Working capital ⁴	382.9	383.0	0.0%			
Working capital ratio (average) ⁵	18.6%	22.2%	-3.6pp			
Capital expenditure (after deducting grants) ⁶	90.3	100.2	-9.9%	28.7	38.2	-
thereof right-of-use-assets for leases under IFRS 16	19.7	26.0	-24.2%	9.2	9.8	-6.1%
R&D ratio ⁷	4.2%	5.1%	-0.9pp			
R&D expenditure (after deducting grants)	85.0	93.4	-9.0%	21.0	23.3	-9.9%
Employees (number as at Dec. 31) ⁸	5,712	5,228	9.3%			

DEUTZ Engines & Services

€ million	2025	2024	Change	Q4 2025	Q4 2024	Change
New orders	1,896.6	1,654.3	14.6%	522.6	441.9	18.3%
Revenue	1,861.0	1,723.6	8.0%	492.4	458.0	7.5%
Adjusted EBIT (before exceptional items)	130.0	103.2	26.0%	40.1	26.1	53.6%
EBIT margin (before exceptional items)	7.0%	6.0%	+1.0pp	8.1%	5.7%	+2.4pp

DEUTZ Solutions

€ million	2025	2024	Change	Q4 2025	Q4 2024	Change
New orders	181.1	172.8	4.8%	50.6	39.0	29.7%
Revenue	182.8	90.1	102.9%	51.0	49.8	2.4%
Adjusted EBIT (before exceptional items)	-18.9	-25.4	25.6%	-4.0	-5.2	23.1%
thereof DEUTZ Energy	15.2	8.7	74.7%	3.8	4.3	-11.6%
thereof DEUTZ NewTech	-34.1	-34.1	0.0%	-7.8	-9.5	17.9%
EBIT margin (before exceptional items)	-10.3%	-28.2%	+17.9pp	-7.8%	-10.4%	+2.6pp

¹ Return on Capital Employed.

² Cash flow from operating and investing activities less interest expense.

³ Cash and cash equivalents less current and non-current interest-bearing financial debt.

⁴ Inventories plus trade receivable less trade payables.

⁵ Average working capital at the four quarterly reporting dates divided by revenue for the previous twelve months.

⁶ Capital expenditure on property, plant and equipment (including right-of-use assets in connection with lease) and intangible assets, excluding capitalization of R&D.

⁷ Research and development expenditure (after subsidies) in relation to sales revenue.

⁸ Number of employees in FTE (Full Time Equivalent).

About this report

This annual report takes an in-depth look at the business performance of the DEUTZ Group and DEUTZ AG. It covers both financial and sustainability-related aspects. [See 'Group sustainability statement', p. 90 onward.](#)

REPORTING STRUCTURE

The reporting period covers the 2025 financial year, which began on January 1 and ended on December 31, 2025. To ensure that it is as up to date as possible, this report also contains any relevant information that was available by the time that the responsibility statement was issued on February 26, 2026. The consolidated financial statements and group management report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the additional requirements pursuant to the German Commercial Code (HGB). The Group sustainability statement has been prepared in accordance with section 315c in conjunction with sections 289c to 289e HGB and applying the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 as the reporting framework.

INDEPENDENT AUDIT

The consolidated financial statements prepared by DEUTZ AG – comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement, and notes to the consolidated financial statements – and the combined group management report for the period from January 1 to December 31, 2025 were audited by BDO AG Wirtschaftsprüfungsgesellschaft (BDO). [See 'Independent auditor's report', p. 272 onward.](#)

The Group sustainability statement was subject to a separate voluntary review with limited assurance by BDO on behalf of the Supervisory Board that was conducted in accordance with the International Standard on Assurance Engagements, ISAE 3000 (Revised). [See 'Independent practitioner's report', p. 157 onward.](#)

The remit of BDO's assurance engagement did not include a review of references to the 2023 annual report – which was audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft – or of references to external sources such as the Company website.

FORWARD-LOOKING STATEMENTS

This report includes certain statements and assumptions about future events and developments. Such forward-looking statements include known and unknown risks, uncertainties, and other factors. This means that the actual future performance, development, and results of the Company, and of sectors important to the Company, may be significantly different – in particular, may differ negatively – from those expressly or implicitly assumed in these statements. It is therefore not possible to make any guarantees with regard to the forward-looking statements made in this annual report.

FURTHER INFORMATION

In this report, references to further information are highlighted in the text and the relevant page number is given.

MISCELLANEOUS

This annual report is available in German and English. To improve readability, we do not indicate rounding differences in this report.

CONTENTS

3 About this report

6 To our shareholders

6 Message from the CEO

10 Board of Management

11 DEUTZ Executive Team

12 Report of the Supervisory Board

18 Members of the Supervisory Board and Board of Management

20 Corporate governance declaration and corporate governance report

32 DEUTZ in the capital markets

36 Combined management report of DEUTZ AG and the DEUTZ Group

38 Fundamental features of the Group

50 Macroeconomic and industry-specific environment

53 Business performance in the DEUTZ Group

59 Business performance in the segments

65 Financial position

68 Net assets

70 DEUTZ AG

74 Overall assessment for 2025

75 Group sustainability statement pursuant to sections 289 b and 315 b HGB

75 Corporate governance declaration pursuant to sections 289f and 315d HGB

75 Disclosures pursuant to sections 289 a and 315 a HGB

79 Further disclosures

80 Explanatory statement by the Board of Management in connection with sections 289 a and 315 a HGB

80 Risk report

91 Group sustainability statement

157 Assurance report of the independent German public auditor on a limited assurance engagement in relation to the group sustainability statement

160 Forecast for 2026

163 Outlook for the period to 2028

164 Remuneration report

166 Review of 2025 from a remuneration perspective

166 Remuneration for Board of Management members

185 Remuneration for Supervisory Board members

188 Auditors's report

189 Consolidated financial statements for 2025

192	Income statement for the DEUTZ Group
192	Statement of comprehensive income for the DEUTZ Group
193	Balance sheet for the DEUTZ Group
194	Statement of changes in equity for the DEUTZ Group
195	Cash flow statement for the DEUTZ Group

196 Notes to the consolidated financial statements 2025

269 Annual Financial statements in accordance with the German Commercial Code (HGB)

271 Additional information

271	Responsibility statement
272	Independent auditor's report
280	DEUTZ Group: Multi-year overview

Message from the CEO

Dear friends of the company,

DEUTZ keeps the world moving. By providing reliable drive systems, decentralized energy supply technologies, and top-class service, we offer solutions for the key areas of growth for the future: transportation, urbanization, food, energy, and defense. We play our part wherever our more than 160 years of experience can give us an advantage. This may be in the context of engines, but not necessarily. We are open to new markets and lines of business. Step by step and alongside our around 6,000 employees, the next version of DEUTZ is thus emerging worldwide – stronger, fit for the future, and sustainable. In 2025, this approach allowed us to reach key milestones and to forge ahead with our strategy of broadening our positioning in the market. And it is bearing fruit.

Even though the economic environment remained challenging, especially for the engine business, we reported one of the highest profits in our recent history: Our adjusted EBIT came to €112.3 million, which was around 46% higher than in the previous year. This resulted in an adjusted EBIT margin of 5.5%. Our revenue increased by almost 13% to €2.04 billion.

Our Energy business unit made a significant contribution to these results. In 2025, we took a crucial step in the further expansion of this business: Thanks to the acquisition of Frerk Aggregatebau, which was completed at the start of February 2026, we have created a globally scalable portfolio in the field of decentralized energy supply, strengthened our position in the rapidly growing market for data center emergency power systems, and laid the foundations for leveraging synergies throughout the value chain – from purchasing and production to sales and service. We are also increasing our resilience by expanding our defense business. With our acquisition of SOBEK, a leading manufacturer of drive systems for drones, and our partnership with ARX Robotics, we are positioning ourselves as a system provider in the growing ecosystem for unmanned defense systems.

The share price also shows that DEUTZ's transformation is compelling. At the end of February 2026, DEUTZ shares passed the €12 mark for the first time in more than 20 years, equating to a twelve-month gain of around 130%.

All of us at DEUTZ can be proud of what we have achieved. And of course we would like you, our shareholders, to also reap the benefits. The Supervisory Board and Board of Management will therefore propose to the Annual General Meeting on May 13, 2026 that a dividend of €0.18 per share be paid. This would equate to a dividend ratio of around 50%.



»Step by step, we are building the next version of DEUTZ – stronger, fit for the future, and sustainable.«

DR. SEBASTIAN SCHULTE

Our goal remains clear: We want to double our revenue to €4 billion by 2030, with an adjusted EBIT margin of 10 percent. Since the start of this year, we have been taking a new approach to managing DEUTZ. This approach is derived from our strategy and defines clear responsibilities and business units that will act entrepreneurially and make decisions with a much firmer focus on customers. The requirements in the electricity generator business differ from those in our engine business or defense sales. We are taking this into account with our new organizational structure and our five business units: Defense, Energy, Engines, NewTech, and Service. These business units will be united by the hallmarks that have always defined the DEUTZ brand, namely reliable solutions, high quality, smart partnerships, and the ability to bring great ideas to fruition. We proved this in 2025. And this is what we will continue to strive for going forward.

Cologne, February 2026

A handwritten signature in blue ink, appearing to be 'Sebastian Schulte'.

Dr. Sebastian Schulte

Board of Management



DR. SEBASTIAN SCHULTE

Chief Executive Officer

Chairman of the Board of Management since February 13, 2022, member of the Board of Management since January 1, 2021, appointed until December 31, 2028



OLIVER NEU

Chief Financial Officer

Member of the Board of Management since October 1, 2024, appointed until September 30, 2027

DEUTZ Executive Team⁹



KATHARINA KRÜGER

Executive Vice President
Head of Transformation, Strategy &
Human Resources



MARKUS VILLINGER

Executive Vice President
CEO of the Engines business unit



ANDREAS SCHMIDT

Executive Vice President
CEO of the Service business unit



BERT VAN HASSELT

Executive Vice President
CEO of the NewTech business unit



DAVID EVANS

Executive Vice President
CEO of the Energy business unit



MARCO HERRE

Executive Vice President
CEO of the Defense business unit

⁹ The members of the Board of Management, the Head of Transformation, Strategy & Human Resources, and the CEOs of the business units together make up the DEUTZ Executive Team.

Report of the Supervisory Board



Dr. Dietmar Voggenreiter

Chairman of the Supervisory Board

Dear Shareholders,

2025 was a successful year for your company, DEUTZ AG, in a multitude of ways.

The acquisition of Dutch electrification specialist Urban Mobility Systems B.V. (UMS) accelerated DEUTZ's development of heavy-duty battery-powered drives and boosted the innovative strength of the DEUTZ NewTech business. DEUTZ made further progress in its transition from component manufacturer to system provider by acquiring the SOBEK Group, a leading manufacturer of powerful electric drives for high-tech applications, and opened up a new growth market in defense. Targeted M&A activities in the USA and Turkey also saw DEUTZ continue to expand its service business. The acquisition concluded in mid-December 2025 of Frerk Aggregatebau GmbH – a leading European provider of emergency power systems – will provide a significant boost to the ongoing expansion of the energy business.¹⁰

The Board of Management, in close consultation with the Supervisory Board and the works council, created a new organizational structure in 2025 with the aim of bolstering the Company's transformation, while also safeguarding the agility of the DEUTZ Group and aligning its various business units even more closely with the needs of its customers. This new structure was introduced on January 1, 2026 and gives shape to DEUTZ's modern and forward-looking governance and management philosophy. [📄 See also 'Strategy and objectives', p. 39 onward.](#)

DEUTZ's business performance in 2025 shows that its firm focus on implementation of the Dual+ strategy is paying off: Despite a challenging engine market, especially for agricultural and construction machinery, DEUTZ generated adjusted EBIT of €112.3 million and an adjusted EBIT margin of 5.5%; earnings per share came to €0.37. It is equally encouraging that DEUTZ shares passed the €12 mark at the end of February 2026 for the first time since 2007. This is testimony to the capital markets' support for the DEUTZ Group's realignment.

Implementation of the Dual+ strategy and therefore progress with the Company's transformation are discussed and reported on regularly in the meetings of the Supervisory Board and its committees.

¹⁰ The transaction was completed on February 3, 2026; see the press release dated February 3, 2026.

OPERATING PROCEDURES OF THE SUPERVISORY BOARD

In 2025, the Supervisory Board of DEUTZ AG continued its ongoing monitoring of the management of the business in accordance with the requirements of the German Stock Corporation Act (AktG) and the German Corporate Governance Code and provided advice to the Board of Management on key decisions. The Supervisory Board was involved in all material decisions made by the Board of Management, with the Board of Management coordinating closely with the Supervisory Board on the Company's corporate strategy in particular.

A total of four ordinary and eight extraordinary meetings of the Supervisory Board were held in 2025.

All members of the Supervisory Board participated in all meetings in 2025. At six meetings, everyone attended in person, while three meetings were held entirely as a telephone/video conference. The other three meetings were hybrid events, with some attendees taking part in person and others joining virtually using telephone/video conferencing technology.

The Supervisory Board of DEUTZ AG approved new rules of procedure for itself at its meeting on March 18, 2026. They are published on DEUTZ AG's website.

The attendance rates of the individual Supervisory Board members were as follows:

Supervisory Board member	Number of meetings of the Supervisory Board and its committees	Number of meetings attended	Attendance rate
Dr. Dietmar Voggenreiter Chairman of the Supervisory Board	22	22	100%
Sabine Beutert Deputy Chairwoman of the Supervisory Board	21	21	100%
Dr. Fabian Dietrich (until Nov. 30, 2025)	11	11	100%
Helmut Ernst	12	12	100%
Silvia Eidt (since Dec. 9, 2025)	1	1	100%
Melanie Freytag	12	12	100%
Patricia Geibel-Conrad	18	18	100%
Ismail-Hilmi Kocer	12	12	100%
Gottfried Laengert	12	12	100%
Dr.-Ing. Rudolf Maier	17	17	100%
Bernd Maierhofer	12	12	100%
Katja Olligschläger	17	17	100%
Hans-Jörg Schaller	12	12	100%

At each of the ordinary meetings of the Supervisory Board, the Board of Management reported on the general economic, market, and competitive environment for the DEUTZ Group, presented a business update and sales report that included detailed information on the actual performance of the business over the immediately preceding period, submitted an up-to-date risk report, provided information on key operational issues, and offered an overview of the results forecast for the year as a whole. These reports were made on the basis of the key performance indicators that were already familiar to the Supervisory Board members from the Company's written monthly reports. These key performance indicators included new orders, orders on hand, revenue, unit sales, EBIT, research and development expenditure, capital expenditure, working capital, quality data, and headcount data, in each case compared against the prior-year figures and budget. Reports from the Nominations, Human Resources, and Audit Committees presented by their respective chairpersons were also a regular item on the agenda of the Supervisory Board meetings.

FOCUS OF SUPERVISORY BOARD DELIBERATIONS

The deliberations and discussions of the Supervisory Board in the year under review related to a range of matters, such as the development of the new divisional corporate structure that was introduced on January 1, 2026 and included the establishment of a Group Executive Team. The Supervisory Board was involved in these matters at an early stage. The reorganization allows the Board of Management to focus on matters of strategy, culture, and communication, while wider management is undertaken by the Group Executive Team. This makes the DEUTZ Group more agile overall and means it can be more responsive to customers.

In its meetings, the Supervisory Board also deliberated on the current business position and risk situation of the DEUTZ Group as well as on the operational and strategic development of the Company. The latter was the subject of an extraordinary Supervisory Board meeting. In addition to the wider macroeconomic conditions, the Company's revenue, earnings,

competitiveness, and supply chains continued to be particularly affected by external shocks, such as the tariffs introduced by the USA and their repercussions for DEUTZ. Also of significance were the acquisition of the SOBEK Group (a leading manufacturer of powerful electric drives for high-tech applications such as military drones), the successful placement of a capital increase of around €131.1 million, and the signing of an agreement on December 17, 2025 to acquire Frerk Aggregatebau GmbH (a seller of powerful electricity generators).

Other meeting topics included the acquisition of UMS, a Dutch innovation leader in battery-powered drives for off-highway applications, and the acquisition of two service companies in the steadily growing US market specialized in maintenance and repair services for heavy machinery, such as mining equipment, trucks, and rail vehicles: OnSite Diesel (a former service partner) and Nevada-based Double Down Heavy Repair.

Other key decisions concerned the 2026 budget, the medium-term planning up to 2030, and the approval of capital expenditure and development projects. The Supervisory Board also adopted resolutions concerning the achievement of targets by the Board of Management – and consequently its variable remuneration for the previous year – as well as the setting of its targets and medium-term targets for the current year.

In 2025, an independent auditor audited DEUTZ AG's system for complying with the requirements in section 32 of the German Securities Trading Act (WpHG) regarding the European Market Infrastructure Regulation (EMIR). The audit covered the period January 1 to December 31, 2024. The auditor issued the necessary certificate. The Supervisory Board noted the results of the EMIR audit at its ordinary meeting in September 2025.

The Board of Management ensured that it provided the Supervisory Board with comprehensive, regular, and timely information at all times during the period under review. Between meetings, the Board of Management informed the members of the Supervisory Board in writing about all important events. In addition, the chairman of the Supervisory Board and the chairman of the Board of Management remained in regular contact to discuss all important transactions, imminent decisions, and optimization measures. All the decisions that the Supervisory Board was required to make in accordance with the law and Statutes were made on the basis of the reports and draft resolutions submitted by the Board of Management and, where necessary, following preparation by the relevant committees of the Supervisory Board.

COMPOSITION OF THE BOARD OF MANAGEMENT

The Company's Board of Management consisted of three people at the end of 2025: Dr. Sebastian C. Schulte (Chairman, responsible for managing the business units, the regions, technical and head-office functions, human resources, and sustainability), Dr. Ing. Petra Mayer (responsible for production and supply chain), and Mr. Oliver Neu (responsible for commercial management of the business units, finance, purchasing, information services, data protection, and the internal control system).

At the Supervisory Board meeting on January 29, 2025, the Supervisory Board – following preparatory work by the Human Resources Committee – extended the term of appointment of Dr. Ing. Petra Mayer by one year, i.e. for the period November 1, 2025 to December 31, 2026.

The new organizational structure introduced on January 1, 2026 no longer includes the role of chief operating officer on the Board of Management. For this reason, following preparatory work by the Human Resources Committee, the Supervisory Board and Dr. Ing. Mayer mutually agreed at the Supervisory Board meeting on December 17, 2025 that she would step down from her role on the Board of Management with effect from December 31, 2025. In line with her Board of Management service contract, Dr. Ing. Petra Mayer continued to be at the service of DEUTZ AG in an advisory capacity until January 31, 2026. The Supervisory Board would like to thank Dr. Ing. Petra Mayer for her invaluable work and dedication and wishes her every success for the future. In light of Dr. Ing. Petra Mayer's departure, the Supervisory Board on December 17, 2025 resolved to amend the rules of procedure for DEUTZ AG's Board of Management. The amendment has been published on the website.

CORPORATE GOVERNANCE: DECLARATION OF CONFORMITY – JUST ONE DEVIATION

At its meeting on December 17, 2025, the Supervisory Board held in-depth discussions on the German Corporate Governance Code (DCGK, version dated April 28, 2022) and, together with the Board of Management, issued a declaration of conformity pursuant to section 161 AktG. The declaration continues to contain just one deviation from the DCGK because, in departure from article G.11 sentence 1 DCGK, the Supervisory Board no longer has the option to grant special remuneration to the Board of Management to an adequate extent in order to take account of exceptional developments. All of the recommendations in the DCGK will continue to be complied with in the future, with the exception of this deviation from article G.11 sentence 1 DCGK. In view of best practice in the market, the Company no longer considers granting special remuneration to be appropriate.

The latest declaration of conformity has been available for download in the Corporate Governance section of the DEUTZ AG website at www.deutz.com since January 6, 2026. [See also](#) 'Corporate governance declaration and corporate governance report', p. 20 onward.

MATTERS HANDLED EFFICIENTLY BY FOUR COMMITTEES

The Supervisory Board has created four committees to enable it to perform its duties effectively. These committees prepare various topics and resolutions for the full Supervisory Board. Details of all members of the Supervisory Board and its committees, as well as other directorships held by its members, are shown separately from page 19 onward of this annual report. [See also](#) 'Report of the Supervisory Board', p. 12 onward.

At the time this annual report was published, the members of the Human Resources Committee were Dr. Dietmar Voggenreiter (chairman), Ms. Sabine Beutert, and Dr. Ing. Rudolf Maier. The Human Resources Committee makes preparations for all Supervisory Board decisions concerning the appointment of members of the Board of Management and their contracts of employment, including the remuneration specified therein, and all issues arising in this connection. It particularly focuses on long-term succession planning, which involves identifying suitable candidates at an early stage. In this task, it is supported by external consultants. The Human Resources Committee held four meetings in 2025, three of which were held virtually and one of which was attended in person by all members of the committee. Among the main matters addressed were the extension of Dr. Ing. Petra Mayer's contract, the achievement of the Board of Management's targets for 2024, the setting of the Board of Management's targets for 2025, and, finally, with the introduction of the new business unit structure on January 1, 2026, the departure of Dr. Ing. Petra Mayer from the Board of Management by mutual agreement with effect from the end of 2025.

At the time this annual report was published, the members of the Audit Committee were Ms. Patricia Geibel-Conrad (chairwoman), Ms. Sabine Beutert (deputy chairwoman), Dr. Dietmar Voggenreiter, and Ms. Katja Olligschläger. Due to her professional background as an auditor and former tax consultant, Ms. Geibel-Conrad has expertise in the areas of accounting and auditing within the meaning of section 100 (5) AktG and article D.3 DCGK in the version dated April 28, 2022. Thanks to her training as a sustainability auditor (registration dependent on the Corporate Sustainability Reporting Directive (CSRD) coming into force), she also has specialized knowledge in the field of ESG. With a degree in economics and many years of experience as secretary of the German Metalworkers' Union, Ms. Beutert has relevant expertise in the field of accounting. Dr. Voggenreiter also has relevant expertise in the field of accounting due to his previous role as Head of Corporate Controlling at Audi AG, Ingolstadt, and as a former Member of the Board of Management (with responsibility for marketing and sales) of Audi AG, Ingolstadt.

The Audit Committee held four scheduled in-person meetings (with the option of joining by video) and one extraordinary virtual meeting in 2025, all of which were attended by all members of the committee and by the Board of Management. The auditor attended three of the meetings. The committee regularly held parts of its ordinary meetings without the Board of Management and/or without the auditor.

The meetings primarily focused on the preparatory review of the annual and consolidated financial statements, including the combined management report and Group sustainability statement of DEUTZ AG and the DEUTZ Group. Furthermore, the auditor's report on its review of the condensed consolidated financial statements and the interim management report for the first half of the year were discussed at length together with the Board of Management. There were also detailed deliberations on the interim management statements for the first and third quarters. In between meetings, the chairwoman of the Audit Committee maintained regular and close contact with the Chief Financial Officer in order to share information and ideas.

The committee examined the monitoring of the accounting process, the risk management system, the internal control system, the compliance management system (CMS), and internal audit, as well as the appropriateness and effectiveness of these systems. In the committee's meetings, the heads of these corporate governance systems and of other relevant head-office functions were available to answer questions and give reports on specific topics. The annual activity report presented by the Head of Corporate Audit and the report's findings were discussed, and Corporate Audit's audit plan for the reporting year was approved. The Board of Management regularly reported to the Audit Committee on the course of business in the segments, relevant key performance indicators for the Group, the liquidity and funding situation, material legal disputes, matters relating to Corporate Audit, compliance in the Company, and data security/integrity and data protection.

Other key areas addressed over the course of the year besides those already mentioned were the IT systems and IT/data security, upcoming changes (such as in respect of the Network and Information Systems 2 (NIS 2) Directive, the AI Act, and the Data Act), further development of the internal control system, the tax strategy plus the tax CMS and the requirements of Pillar II, the introduction of IFRS 18, and regulatory requirements for sustainability reporting and their implementation (primarily the EU taxonomy and the CSRD). The Board of Management reported on potential transactions with related parties on a quarterly basis. As in previous years, no transactions requiring approval or disclosure were identified in 2025. With regard to the collaboration with the auditor, the committee reviewed the non-audit services performed in the reporting year and received reports on the projects planned for the following year. No issues were identified. In the year under review, the Audit Committee continued to keep up to date with current and future changes

to the regulatory environment and discussed the measures that would need to be taken by the DEUTZ Group as a result.

The extraordinary meeting of the Audit Committee dealt with the capital increase carried out in the year under review and the related approval for exercising the authorized capital.

The committee's recommendation that the Supervisory Board propose to the 2026 Annual General Meeting that BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg (Germany), be appointed as the auditor was based on the auditor's declaration of independence and an analysis of the non-audit services performed. The Audit Committee dealt with the fee agreements and issued the relevant audit engagements. It verified that the auditor was qualified for the role and held reciprocal talks with the head of Accounting and the auditor on the quality of the audit. It also discussed the auditor's audit plan. The Audit Committee defined additional focal points relating to the acquisitions carried out in connection with the new organizational structure to be implemented and relating to aspects of corporate governance at DEUTZ AG and in the Group companies. The auditor reported on its findings at the meeting on March 16, 2026. The chairwoman of the Audit Committee maintained regular contact with the auditor between meetings, reporting to the committee on their discussions.

The chairwoman of the Audit Committee routinely provided detailed updates on the committee's work at each subsequent meeting of the full Supervisory Board.

The Supervisory Board consented to this proposal at its meeting on March 18, 2026.

The Supervisory Board approved the recommendations for board resolutions submitted by the committees.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS AUDITED IN DETAIL AND APPROVED

The annual financial statements of DEUTZ AG prepared by the Board of Management in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) – as adopted by the European Union (EU) – and the additional German statutory requirements pursuant to section 315e (1) HGB, and the combined management report for DEUTZ AG and the DEUTZ Group, in each case for the year ended December 31, 2025, were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Düsseldorf branch, the auditor appointed by the Annual General Meeting on May 8, 2025. The auditor issued unqualified opinions. The auditor also established that the Board of Management had set up an appropriate information and monitoring system that is capable, at an early stage, of identifying any risks to the Company's continued existence as

a going concern. BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, Düsseldorf branch, has been the auditor for DEUTZ AG and the DEUTZ Group since the 2024 financial year. The designated German public auditors [Wirtschaftsprüfer] are Mr. Christoph Hyckel (the German public auditor responsible for the audit since the 2024 financial year) and Mr. Christian Winkler (since the 2024 financial year). The annual financial statements of DEUTZ AG, the consolidated financial statements, the combined management report, the Board of Management's proposal for the appropriation of profit, and the auditor's reports were made available to all members of the Supervisory Board and were examined by the Supervisory Board. The auditor explained its audit findings in detail to the Audit Committee meeting held on March 16, 2026 and to the Supervisory Board meeting held on March 18, 2026 and answered any supplementary questions raised. The Supervisory Board approved the findings of the auditor's reports on DEUTZ AG and the DEUTZ Group. The concluding findings of the Supervisory Board's own review have not led to any reservations about either the annual financial statements or the consolidated financial statements, and the Supervisory Board has therefore approved them. The annual financial statements have thus been adopted. Finally, the Supervisory Board reviewed the Group sustainability statement in accordance with its obligation pursuant to section 171 (1) sentence 4 AktG. It did not identify any issues.

COMPOSITION OF THE SUPERVISORY BOARD AND ITS COMMITTEES

In 2025, the composition of the Supervisory Board changed as follows:

The senior managers' representative on the Supervisory Board, Dr. Fabian Dietrich, left the Company with effect from November 30, 2025, meaning that his position had to be filled. Ms. Silvia Eidt took his place on the Supervisory Board following her election by the senior managers and her subsequent appointment by the courts. The Supervisory Board would like to thank Dr. Dietrich for his many years of dedicated and constructive support.

There were no changes to the composition of the Supervisory Board's committees in 2025:

In the reporting year, the Supervisory Board's self-assessment conducted by an external consultancy in 2024 (in accordance with article D.12 DCGK in the version dated April 28, 2022) was further analyzed and a related action plan was drawn up.

DEUTZ AG supports members when they first join the Supervisory Board and subsequently offers them training and continuing professional development (CPD), covering the associated costs. In 2025, the Supervisory Board invited an external expert to explain how the capital markets view DEUTZ AG and the defense industry. A keynote speech on exhaust aftertreatment was also held by an external expert. Suitable

training and CPD measures are regularly discussed by the Supervisory Board members among themselves and also with the Board of Management and the chairman of the Supervisory Board. New members are also provided with comprehensive information on the Company's corporate governance. As is customary at DEUTZ AG, Supervisory Board members are given the chance to get to know the Company and the individual departments for themselves. This option was once again taken up in 2025.

CONFLICTS OF INTEREST / INDEPENDENCE OF SUPERVISORY BOARD MEMBERS / THANKS

No conflicts of interest between members of the Supervisory Board and DEUTZ AG arose in the year under review. The current members of the Supervisory Board of DEUTZ AG are all considered independent within the meaning of article C.6 sentence 2 DCGK in the version dated April 28, 2022.

The Supervisory Board would like to express its thanks and appreciation to all employees of the DEUTZ Group in Germany and abroad for the hard work and exceptional flexibility that they have shown again this year as they dedicated themselves to the Company's cause in what remained a challenging environment, and to the elected employee representatives, and to the Board of Management for their valuable work and the considerable dedication they showed in 2025.

Cologne, March 2026



Dr. Dietmar Voggenreiter
The Supervisory Board

Members of the Supervisory Board and Board of Management

Members of the Supervisory Board of DEUTZ AG and their membership of other supervisory and advisory bodies¹¹

Member	Initial appointment	Appointed until	Committee activities	Principal occupation	Further membership in other bodies
Dr. Dietmar Voggenreiter (Independent member) Chairman	Apr. 30, 2019 Feb. 12, 2022	Annual General Meeting 2028	Human Resources Committee (Chairman) Audit Committee Arbitration Committee (Chairman) Nominations Committee (Chairman)	Management consultant	(a) none (b) Hahn Automobil-Holding GmbH, Stuttgart, Germany (Chairman of the Board of Directors, since May 01, 2025)
Sabine Beutert (Independent member) ¹² Deputy Chairwoman	Apr. 30, 2013 Sept. 21, 2022	Annual General Meeting 2028	Human Resources Committee (Deputy Chairwoman) Audit Committee (Deputy Chairwoman) Arbitration Committee	Trade Union Secretary IG Metall – Cologne-Leverkusen branch, Cologne, Germany (now retired)	(a) none (b) none
Dr. Fabian Dietrich (Independent member) ¹²	Apr. 26, 2018	Nov. 30, 2025		Lawyer	(a) none (b) none
Silvia Eidt (Independent member) ¹²	Dec. 09, 2025	Annual General Meeting 2028		Head of Corporate Audit, DEUTZ AG, Cologne, Germany	(a) none (b) none
Helmut Ernst (Independent member)	Apr. 27, 2023	Annual General Meeting 2028		Self-employed management consultant	(a) kfzteile24 AcquiCo GmbH, Berlin, Germany (advisory board member); JOST Werke SE, Neu-Isenburg (since Mar. 01, 2025) (b) none
Melanie Freytag (Independent member)	Apr. 27, 2023	Annual General Meeting 2028	Arbitration Committee	Chief Financial Officer MEYER WERFT GmbH, Papenburg, Germany	(a) none (b) none
Patricia Geibel-Conrad (Independent member)	Apr. 26, 2018	Annual General Meeting 2028	Audit Committee (Chairwoman) Nominations Committee (Deputy Chairwoman)	Director of her own audit business / Freelance management consultant	(a) MEYER WERFT GmbH, Papenburg, Germany (since Jan. 31, 2025) (b) none
Ismail-Hilmi Kocer (Independent member) ¹²	Jun. 14, 2023	Annual General Meeting 2028		Chairman of the Works Council of DEUTZ AG, Ulm plant, Germany	(a) none (b) none
Gottfried Laengert (Independent member) ¹²	Jun. 14, 2023	Annual General Meeting 2028	Arbitration Committee	Member of the Works Council of DEUTZ AG, Cologne, Germany Revision mechanic	(a) none

¹¹ Overview as of December 31, 2025.

¹² Employee representatives on the Supervisory Board.

					(b) none
Dr.-Ing. Rudolf Maier (Independent member)	Oct. 7, 2020	Annual General Meeting 2028	Human Resources Committee Nominations Committee	Self-employed management consultant	(a) none (b) none
Bernd Maierhofer (Independent member)	Apr. 27, 2023	Annual General Meeting 2028		Self-employed management consultant	(a) none (b) VOSS Automotive GmbH, Wipperfürth, Germany
Katja Olligschläger (Independent member) ¹²	Jul. 24, 2023	Annual General Meeting 2028	Audit Committee	Member of the Works Council of DEUTZ AG, Cologne, Germany	(a) none (b) none
Hans-Jörg Schaller (Independent member) ¹²	Jun. 14, 2023	Annual General Meeting 2028		Member of the Works Council of DEUTZ AG, Cologne, Germany	(a) none (b) none

(a) Membership of statutory German supervisory boards within the meaning of section 125 AktG.

(b) Membership of comparable German or international supervisory bodies within the meaning of section 125 AktG.

Board of Management

Member (age)	Appointed on	Appointed until	Areas of responsibility	Since/ until	Further membership in other bodies
Dr. Sebastian C. Schulte (47)	Jan. 1, 2021	Dec. 31, 2028	Regions, Technical and Head-office Functions, Sustainability	Feb. 12, 2022/Dec. 31, 2025	(a) none
Chairman	Feb. 13, 2022		Research and Development, Sales, Service and Human Resources Business Units, Strategy, M&A, Communication, Investor Relations, Marketing, Human Resources, Legal Affairs, Compliance, Internal Audit, Quality, Sustainability	Feb. 1, 2025/Dec. 31, 2025 Jan. 1, 2026	(b) none
Dr.-Ing. Petra Mayer (59)	Nov. 1, 2022	Dec. 31, 2025	Production, Supply Chains Procurement	Nov. 1, 2022/Dec. 31, 2025 Nov. 1, 2022/Jan. 31, 2025	(a) Aumovio SE, Frankfurt, Germany (since May 09, 2025) (b) Aalberts NV, Utrecht, Netherlands (since Oct. 13, 2025)
Dr.-Ing. Markus Müller (46)	Mar. 15, 2021	Jan. 31, 2025	Research and Development Sales and Service	Mar. 15, 2021/Jan. 31, 2025 Sep. 6, 2022/Jan. 31, 2025	(a) none (b) none
Oliver Neu (43)	Oct. 1, 2024	Sep. 30, 2027	Finance and Information Services Human Resources Procurement Finance, Accounting, Controlling, Tax, Procurement, Information Services, Export Control, Internal Control System, Data Protection, Global Services	Oct. 1, 2024/Dec. 31, 2025 Oct. 1, 2024/Jan. 31, 2025 Feb. 1, 2025/Dec. 31, 2025 Jan. 1, 2026	(a) none (b) none

(a) Membership of statutory German supervisory boards within the meaning of section 125 AktG.

(b) Membership of comparable German or international supervisory bodies within the meaning of section 125 AktG.

Corporate governance declaration and corporate governance report

For DEUTZ, a responsible approach to management that meets the standards of good corporate governance forms the basis for enhancing shareholder value over the long term. DEUTZ consequently attaches great importance to the implementation of the German Corporate Governance Code (DCGK) and ensures quality and transparency in all key decisions and processes in the Company.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO SECTION 289f AND SECTION 315d HGB

Declaration of conformity with just one deviation In 2025, the Board of Management and the Supervisory Board once again carefully considered to what extent it was proper and consistent with the Company's objectives for DEUTZ to apply all principles, recommendations, and suggestions of the DCGK. DEUTZ AG complies with all but one of the recommendations in the DCGK in the version dated April 28, 2022. In departure from article G.11 sentence 1 DCGK, the Supervisory Board no longer has the option under the current Board of Management remuneration system to grant special remuneration to an adequate extent in order to take account of exceptional developments. In view of best practice in the market, the Company no longer considers granting special remuneration to be appropriate. The declaration of conformity pursuant to section 161 AktG, issued by the Board of Management and the Supervisory Board on December 17, 2025, confirmed that DEUTZ AG would continue to comply with the recommendations of the Code (in the version dated April 28, 2022) with this one exception.

The latest version of the declaration of conformity, dated December 17, 2025, can be found in the Investor Relations / Corporate Governance section of the Company's website at www.deutz.com. The previous declarations of conformity can also be viewed and downloaded there.

Board of Management and Supervisory Board; composition and operating procedures of Supervisory Board committees

The Company's Board of Management consisted of three people at the end of the reporting period: Dr. Sebastian C. Schulte (Chairman of the Board of Management), Dr. Ing. Petra Mayer, and Mr. Oliver Neu.

At its meeting on January 29, 2025, the Supervisory Board changed the schedule of responsibilities for the Board of Management with effect from February 1, 2025 in view of the resignation of Dr. Ing. Markus Müller with effect from January 31, 2025. This involved reassigning Dr. Ing. Markus Müller's mandates for research and development and for sales and service to Dr. Sebastian Schulte, who also assumed responsibility for human resources from Mr. Oliver Neu with effect from February 1, 2025. In turn, Mr. Oliver Neu took on responsibility for purchasing, which had previously been assigned to Dr. Ing. Petra Mayer. At the same meeting, the Supervisory Board – following preparatory work by the Human Resources Committee – extended Dr. Ing. Petra Mayer's term of appointment as a member of the Board of Management by a year, i.e. for the period November 1, 2025 to December 31, 2026.

From that point, the responsibilities were allocated among the members of the Board of Management as follows based on the aforementioned adjustment to the schedule of responsibilities: Dr. Sebastian Schulte was responsible for the regions, technical and head-office functions, research and development, sales and service, sustainability, and HR and thus held the position of Labor Director. Dr. Ing. Petra Mayer was responsible for production and the supply chain, while Mr. Oliver Neu was responsible for finance, purchasing, and information services.

The new organizational structure introduced on January 1, 2026 no longer includes the role of chief operating officer on the Board of Management. For this reason, following preparatory work by the Human Resources Committee, the Supervisory Board and Dr. Ing. Mayer mutually agreed at the Supervisory Board meeting on December 17, 2025 that she would step down from her role on the Board of Management with effect from December 31, 2025. In line with her Board of Management service contract, Dr. Ing. Petra Mayer continued to be at the service of DEUTZ AG in an advisory capacity until January 31, 2026. The Supervisory Board would like to thank Dr. Ing. Petra Mayer for her invaluable work and dedication and wishes her every success for the future. In light of Dr. Ing. Petra Mayer's departure, the Supervisory Board on December 17, 2025 resolved to amend the rules of procedure for DEUTZ AG's Board of Management. The amendment has been published on the website.

In accordance with the provisions of the German Codetermination Act (MitbestG), the Supervisory Board of DEUTZ AG comprises twelve members, six members being the representatives of the shareholders and six members being the representatives of the employees. The shareholder representatives are elected by the Annual General Meeting of DEUTZ AG in individual elections. The employee representatives are elected by the workforce in accordance with the provisions of the German Codetermination Act.

The composition of the Supervisory Board changed in 2025. The senior managers' representative on the Supervisory Board, Dr. Fabian Dietrich, resigned from the Supervisory Board with effect from November 30, 2025 because he was leaving the Company. This meant that his position had to be filled. Ms. Silvia Eidt took his place on the Supervisory Board on December 9, 2025 based on a proposal made by the senior managers to the Board of Management, which submitted a request to the courts for her appointment. The Supervisory Board would like to thank Dr. Dietrich for his many years of dedicated and constructive support.

The Supervisory Board has created four committees to enable it to perform its duties effectively. These committees prepare various topics and resolutions for the full Supervisory Board. Details of all members of the Supervisory Board and its committees, as well as other directorships held by its members, are shown separately from page 19 onward of this annual report.

Reference is made to the rules of procedure for the Supervisory Board, which were amended during the meeting on March 18, 2026 and can be downloaded from the Investor Relations section of the Company's website.

Human Resources Committee At the time this annual report was published, the members of the Human Resources Committee were Dr. Dietmar Voggenreiter (chairman), Ms. Sabine Beutert, and Dr. Ing. Rudolf Maier. The Human Resources Committee makes preparations for all Supervisory Board decisions concerning the appointment of members of the Board of Management and their contracts of employment, including the remuneration specified therein, and all issues arising in this connection. It particularly focuses on long-term succession planning, which involves identifying suitable candidates at an early stage. In this task, it is supported by external consultants. The Human Resources Committee held four meetings in 2025, three of which were held virtually and one of which was attended in person by all members of the committee. Among the main matters addressed were the extension of Dr. Ing. Petra Mayer's contract, the achievement of the Board of Management's targets for 2024, the setting of the Board of Management's targets for 2025, and, finally, with the introduction of the new business unit structure on January 1, 2026, the departure of Dr. Ing. Petra Mayer from the Board of Management by mutual agreement with effect from the end of 2025.

Audit Committee At the time this annual report was published, the members of the Audit Committee were Ms. Patricia Geibel-Conrad (chairwoman), Ms. Sabine Beutert (deputy chairwoman), Dr. Dietmar Voggenreiter, and Ms. Katja Olligschläger. Due to her professional background as an auditor and former tax consultant, Ms. Geibel-Conrad has expertise in the areas of accounting and auditing within the meaning of section 100 (5) AktG and article D.3 DCGK in the version dated April 28, 2022. Thanks to her training as a

sustainability auditor (registration dependent on the Corporate Sustainability Reporting Directive (CSRD) coming into force), she also has specialized knowledge in the field of ESG. With a degree in economics and many years of experience as secretary of the German Metalworkers' Union, Ms. Beutert has relevant expertise in the field of accounting. Dr. Voggenreiter also has relevant expertise in the field of accounting due to his previous role as Head of Corporate Controlling at Audi AG, Ingolstadt, and as a former Member of the Board of Management (with responsibility for marketing and sales) of Audi AG, Ingolstadt.

The Audit Committee held four scheduled in-person meetings (with the option of joining by video) and one extraordinary virtual meeting in 2025, all of which were attended by all members of the committee and by the Board of Management. The auditor attended three of the meetings. The committee regularly held parts of its ordinary meetings without the Board of Management and/or without the auditor.

The meetings primarily focused on the preparatory review of the annual and consolidated financial statements, including the combined management report and Group sustainability statement of DEUTZ AG and the DEUTZ Group. Furthermore, the auditor's report on its review of the condensed consolidated financial statements and the interim management report for the first half of the year were discussed at length together with the Board of Management. There were also detailed deliberations on the interim management statements for the first and third quarters. In between meetings, the chairwoman of the Audit Committee maintained regular and close contact with the Chief Financial Officer in order to share information and ideas.

The committee examined the monitoring of the accounting process, the risk management system, the internal control system, the compliance management system (CMS), and internal audit, as well as the appropriateness and effectiveness of these systems. In the committee's meetings, the heads of these corporate governance systems and of other relevant head-office functions were available to answer questions and give reports on specific topics. The annual activity report presented by the Head of Corporate Audit and the report's findings were discussed, and Corporate Audit's audit plan for the reporting year was noted. The Board of Management regularly reported to the Audit Committee on the course of business in the segments, relevant key performance indicators for the Group, the liquidity and funding situation, material legal disputes, matters relating to Corporate Audit, compliance in the Company, and data security/integrity and data protection.

Other key areas addressed over the course of the year besides those already mentioned were the IT systems and IT/data security, upcoming changes (such as in respect of the Network and Information Systems 2 (NIS 2) Directive, the AI Act, and the Data Act), further development of the internal control system, the tax strategy plus the tax CMS and the requirements of Pillar II, the introduction of IFRS 18, and regulatory requirements for sustainability reporting and their implementation (primarily the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD)). The Board of Management reported on potential transactions with related parties on a quarterly basis. As in previous years, no transactions requiring approval or disclosure were identified in 2025. With regard to the collaboration with the auditor, the committee reviewed the non-audit services performed in the reporting year and received reports on the projects planned for the following year. No issues were identified. In the year under review, the Audit Committee continued to keep up to date with current and future changes to the regulatory environment and discussed the measures that would need to be taken by the DEUTZ Group as a result.

The extraordinary meeting of the Audit Committee dealt with the capital increase carried out in the year under review and the related approval for exercising the authorized capital.

The committee's recommendation that the Supervisory Board propose to the 2026 Annual General Meeting that BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg (Germany), be appointed as the auditor was based on the auditor's declaration of independence and an analysis of the non-audit services performed. The Audit Committee dealt with the fee agreements and issued the relevant audit engagements. It verified that the auditor was qualified for the role and held reciprocal talks with the head of Accounting and the auditor on the quality of the audit. It also discussed the auditor's audit plan.

The Audit Committee defined additional focal points relating to the acquisitions carried out in connection with the new organizational structure to be implemented and relating to aspects of corporate governance at DEUTZ AG and in the Group companies. The auditor reported on its findings at the meeting on March 16, 2026. The chairwoman of the Audit Committee maintained regular contact with the auditor between meetings, reporting to the committee on their discussions.

The chairwoman of the Audit Committee routinely provided detailed updates on the committee's work at each subsequent meeting of the full Supervisory Board.

At its meeting on March 16, 2026, the Audit Committee held discussions with the Board of Management and the auditor on the annual financial statements, consolidated financial statements, and combined management report of DEUTZ AG for the year ended December 31, 2025, the proposal for the appropriation of profit, the Board of Management's report on these documents, and the corresponding audit reports from the auditor. The internal control system relating to the accounting system, the early-warning system for risk, the key audit matters, and the other audit focal points of the auditor and of the Supervisory Board were discussed in detail. During the meeting, the auditor gave a detailed report on the process and key findings of the audits of the financial statements at DEUTZ AG and at the German and non-German subsidiaries, and provided detailed responses to further questions. No issues were raised in the audit findings.

The committee's preparatory review also encompassed the Group sustainability statement of DEUTZ AG and the DEUTZ Group (based on the CSRD), and the remuneration report. The Supervisory Board had also engaged BDO to conduct a review with limited assurance of the Group sustainability statement and to audit the content of the remuneration report, including a formal audit of the remuneration report. The auditor reported on this audit and review in detail. This was followed by a discussion of the main findings. In both cases, an unqualified opinion was issued.

At the meeting of the full Supervisory Board on March 18, 2026, the chairwoman of the committee reported in detail on the audit and review carried out and on their findings. She also explained the related recommendations for board resolutions. The recommendations prepared for the Supervisory Board concerning the financial statements were approved and adopted by the Supervisory Board as submitted in each case, as were the proposed resolutions that were presented during the year.

Arbitration Committee At the time this annual report was published, the members of the Arbitration Committee were Dr. Dietmar Voggenreiter (chairman), Ms. Sabine Beutert, Ms. Melanie Freytag, and Mr. Gottfried Laengert. The Arbitration Committee set up pursuant to section 27 (3) of the German Codetermination Act (MitbestG) is responsible for the activities described in section 31 (3) MitbestG. It did not need to be convened during the year under review.

Nominations Committee At the time this annual report was published, the members of the Nominations Committee were Dr. Dietmar Voggenreiter (chairman), Ms. Patricia Geibel-Conrad, and Dr. Ing. Rudolf Maier. The Nominations Committee is tasked with proposing to the Supervisory Board suitable candidates as shareholder representatives on the Supervisory Board. It held one (virtual) meeting in 2025, which was attended by all members of the committee. Besides the adjustments to the profile of skills and expertise for the Supervisory Board that would be needed in the future, the

meetings dealt with the introduction of a staggered Supervisory Board and, in this context, with structured succession planning. In order to establish a reliable basis for planning with a view to structured succession planning for the two key roles of Supervisory Board chairperson and Audit Committee chairperson, the Nominations Committee decided at a meeting at the start of January 2026 to submit a proposal to the Supervisory Board for the early re-election of Ms. Geibel-Conrad and Dr. Voggenreiter at the 2026 Annual General Meeting. This means that designated successors for these two key roles can be elected at the next scheduled election of the Supervisory Board in 2028, providing for an overlap and thus an orderly handover.

The Supervisory Board consented to this proposal at its meeting on March 18, 2026.

The Supervisory Board approved the recommendations for board resolutions submitted by the committees.

There were no changes to the composition of the Supervisory Board's committees in 2025.

The current members of the Supervisory Board are all considered independent within the meaning of article C.6 sentence 2 DCGK in the version dated April 28, 2022. The names of the independent members are Dr. Dietmar Voggenreiter, Ms. Sabine Beutert, Ms. Silvia Eidt, Mr. Helmut Ernst, Ms. Melanie Freytag, Ms. Patricia Geibel-Conrad, Mr. Ismail-Hilmi Kocer, Mr. Gottfried Laengert, Dr. Ing. Rudolf Maier, Mr. Bernd Maierhofer, Ms. Katja Olligschläger, and Mr. Hans-Jörg Schaller. [See also p. 18 onward](#) for further information on the composition of the Supervisory Board and its committees, and on the further mandates held by its members

In 2025, the Supervisory Board's self-assessment conducted with support from an external consultancy in 2024 (in accordance with article D.12 DCGK in the version dated April 28, 2022) was further analyzed and a related action plan was drawn up. The shareholder representatives and the employee representatives each regularly meet for separate preparatory talks ahead of the meetings of the Supervisory Board.

Targets and timeframes in accordance with sections 76 (4), 111 (5) AktG On December 19, 2022, the Board of Management of DEUTZ AG set certain targets and timeframes in accordance with section 76 (4) AktG. The proportion of women employed by DEUTZ AG at the top level of senior management below the Board of Management is to be increased to 20% by June 30, 2027. The proportion of women at the second level of senior management below the Board of Management is to be increased to 12% over the same period. The top level of senior management below the Board of Management encompasses all managers in Germany who report directly to a member of the Board of Management. The second level of senior management below the Board of Management comprises all managers in Germany who report directly to a manager in the top level of senior management.

To ensure that women are taken into consideration for vacant managerial positions, DEUTZ AG has adopted a staff development program. When positions in the top and second levels of senior management below the Board of Management become available, the Board of Management and the HR department strive to ensure that at least one woman is always shortlisted for the post (article A.2. DCGK, version dated April 28, 2022).

As at the end of 2025, the proportion of women was 20.00% in the top level of senior management below the Board of Management and 14.71% in the second level of senior management below the Board of Management. DEUTZ AG has thus already attained the targets set for 2027 for the top level and second level of senior management.

At its meeting on March 13, 2025, the Supervisory Board of DEUTZ AG set the following target in accordance with section 111 (5) AktG: On December 31, 2029, the Board of Management of DEUTZ AG should have at least one female member. This target had also been attained as at December 31, 2025.

Disclosures regarding compliance with the statutory quotas for women and men on the Supervisory Board

In accordance with the German Act on the Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors (FührposGleichberG), the Supervisory Board of DEUTZ AG had to have at least four female members and four male members following the election of the Supervisory Board at the Annual General Meeting on April 26, 2018, if not before.

The Supervisory Board of DEUTZ AG has been in compliance with these statutory quotas since the Supervisory Board election held in 2018.

Description of the diversity plan for the composition of the Board of Management

The Supervisory Board, with the support of the Human Resources Committee and the involvement of the Board of Management, carries out long-term planning for appointments to the Board of Management. At its meeting on September 27, 2018, the Supervisory Board agreed the following diversity plan for the composition of the Board of Management, incorporating the recommendations of the German Corporate Governance Code in the version dated February 7, 2017 and also complying with the German Corporate Governance Code in the versions dated December 16, 2019 and April 28, 2022:

1. Description of the diversity plan

The Supervisory Board has developed the following diversity plan for the composition of the Board of Management in accordance with section 289f (2) no. 6 HGB: In addition to basic suitability criteria such as good character, integrity, outstanding leadership qualities, professional expertise needed for the member's specific remit, proven track record, knowledge of the Company, and the ability to adapt business models and processes to the needs of a changing world, the Supervisory Board also considers diversity when selecting candidates for a position on the Board of Management. The Supervisory Board primarily regards diversity as

- appropriate gender representation;
- an adequate mix of ages among the members of the Board of Management;
- a range of educational backgrounds and occupations.

2. Objectives of the diversity plan

The objective of the diversity plan for the Board of Management is to consciously harness diversity as a means of driving the Company forward. After all, taking account of different perspectives, skills, backgrounds, and experience will be key to maintaining our competitiveness and success over the long term. Diversity within the Board of Management will, in particular, help us to better understand new business models and the wide-ranging expectations of our customers from around the world.

3. Manner of implementation

The Supervisory Board takes particular account of the following aspects with regard to the composition of the Board of Management:

- Members of the Board of Management should have several years of managerial experience.
- Members of the Board of Management should bring experience from a wide range of occupations and professional backgrounds.
- The Board of Management collectively should have technical expertise, particularly knowledge and experience of manufacturing and sales of all types of engines and of other technical products.
- The Board of Management collectively should have many years' experience in the areas of research and development, production, sales, finance, and human resources.

- The Board of Management collectively should have international experience.
- The Supervisory Board has formally agreed a target quota in accordance with FührungsGleichberG. The resolution stipulates that there should be at least one woman on the Board of Management of DEUTZ AG on December 31, 2029.
- An age limit of 65 (standard retirement age) applies in principle to the members of the Board of Management.

The Supervisory Board determines which candidate should be offered a specific position on the Board of Management. Its decision is based on the best interests of the Company, taking all the circumstances of the individual case into account.

4. Current composition

As well as many years of experience within the Group, the members of the Board of Management also have extensive knowledge and experience – some international – from various activities outside DEUTZ AG. In its composition as at December 31, 2025, the three-person Board of Management met the specified targets. The age range on the Board of Management as at the end of 2025 was 44 to 59 years; the average age was 50.

OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD, PROFILE OF THE SKILLS AND EXPERTISE REQUIRED OF ITS MEMBERS, AND DESCRIPTION OF THE DIVERSITY PLAN

The diversity plan for the Supervisory Board was adopted by the Supervisory Board at its meeting on September 27, 2018 together with the objectives for the Supervisory Board's composition and profile of skills and expertise, and was last updated as follows at the meeting on December 16, 2025:

The Supervisory Board of DEUTZ AG has defined specific targets for its composition and has drawn up a profile of skills and expertise for the Supervisory Board as a whole in accordance with article C.1 DCGK.

The composition of the Supervisory Board has to ensure that its members have the knowledge, skills, and professional experience required to properly perform all duties within an international group of companies. This does not mean that each individual member of the Supervisory Board must have all the knowledge and experience required, but that for each key area of the Supervisory Board's activities, at least one member has competence in that area so that collectively – including the employee representatives and taking account of the special features of the right of codetermination – the Supervisory Board covers the required knowledge and experience.

1. Description of the areas of expertise required for the Supervisory Board

The Supervisory Board of DEUTZ AG should be composed of individuals who collectively provide a range of skills and expertise that ensures the Supervisory Board can comprehensively and effectively advise and supervise the Board of Management on every aspect of DEUTZ AG's business activity. The Supervisory Board regards the following as key elements of this skill set:

- Experience in managing and supervising international companies
- Competence in the Company's areas of activity and in the associated markets and value chains
- Competence relating to the strategic and sustainable development of the Company, of technology, and of the markets
- Knowledge of codetermination law
- Knowledge of finance, accounting, and auditing
- Knowledge of legal matters, corporate governance, and risk management
- Experience in the areas of supply chains, research and development, and manufacturing
- Experience in sales, service, and marketing
- Knowledge of sustainability issues and ESG¹³ topics that are relevant to the Company
- Knowledge in the areas of IT, digitalization, Industry 4.0, and artificial intelligence (AI)
- Knowledge of capital and financial markets

In addition, in accordance with the requirements of section 100 (5) AktG, at least one member of the Supervisory Board and the Audit Committee must have expertise in the area of accounting and at least one member of the Supervisory Board and the Audit Committee must have expertise in the area of auditing (financial experts). The expertise in the area of accounting should primarily comprise knowledge of, and experience with, the application of accounting principles and internal control and risk management systems, while the expertise in the area of auditing should primarily comprise knowledge of, and experience with, the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The chairperson of the Audit Committee must have appropriate expertise in at least one of the two areas. The members of the

Supervisory Board must, collectively, be familiar with the engine manufacturing, drive systems, or associated machinery sectors.

2. Minimum requirements for professional expertise and personal capabilities

The individual members of the Supervisory Board should have certain minimum competencies that are necessary for the proper performance of their role:

- Ability to understand and critically scrutinize the business model
- Fundamental knowledge of the relevant legal provisions
- Fundamental knowledge of compliance
- Fundamental financial expertise, particularly in accounting, risk management, and annual financial statements
- Ability to examine the annual financial statements, if necessary with the assistance of the independent auditor
- Ability to understand, critically scrutinize, and draw conclusions from the reports of the Board of Management and of the Supervisory Board committees
- Ability to assess the propriety, commercial viability, appropriateness, and legality of business decisions and to check their plausibility
- Willingness and ability to devote the time and effort required
- Willingness to undertake ongoing professional development in the form of both inhouse and external training activities
- Personal independence and integrity

¹³ Environmental, social, and corporate governance.

3. Objectives for the composition of the Supervisory Board as a whole

3.1 Diversity

In terms of the diversity of its composition, the Supervisory Board strives to ensure the appropriate participation of both genders, a range of professional and international experience, and the inclusion of members with many years of relevant experience. As DEUTZ AG is a publicly listed company that is subject to the German Codetermination Act, the Supervisory Board must comprise at least 30% women and at least 30% men in accordance with the principles laid down in section 96 (2) AktG.

3.2 International expertise

As DEUTZ is an international group of companies, care must be taken to ensure that the Supervisory Board has a sufficient number of members with many years of international experience. Supervisory Board members can satisfy this requirement in a variety of ways, e.g. by currently or previously holding a senior management role in an international company or by currently or previously living and working in another country.

3.3 Independence and potential conflicts of interest

More than half of the shareholder representatives on the Supervisory Board should be independent within the meaning of articles C.6 (2) and C.7 DCGK. Shareholder representatives on the Supervisory Board must not hold directorships or similar positions or advisory functions for, or have a personal relationship with, major competitors of the DEUTZ Group, and must generally – or at least in the majority – be deemed independent of the Company, the Board of Management, and/or a controlling shareholder. Conflicts of interest that are substantial and not merely temporary relating to the personal circumstances of a Supervisory Board member shall result in the termination of the mandate.

3.4 Time required to perform Supervisory Board duties

The Supervisory Board believes it is important that both its current members and future candidates for Supervisory Board seats are able to devote sufficient time to preparing for and following up the regular Supervisory Board meetings, taking part in such meetings, and reading the regular reports. Additional time is required if members are elected to committees, particularly if they chair such committees. Based on these criteria, the time demanded of Supervisory Board members and candidates in respect of seats on other supervisory or advisory bodies, their active professional activity, or other duties must be taken into account.

3.5 Regular review/evaluation

(1) In the process for selecting shareholder representatives, the Nominations Committee proposes candidates to the Supervisory Board, taking account of the above criteria, and the Supervisory Board then proposes these candidates for election by the Annual General Meeting. The representatives to be elected to the Supervisory Board by the employees must also fulfill the key criteria of this profile of skills and expertise.

(2) In addition, evaluations must be carried out at regular intervals to establish the extent to which the members of the Supervisory Board and the composition of the Supervisory Board remain compliant with the objectives specified in point (1), and the extent to which the Supervisory Board and its committees in their existing composition are able to carry out their duties effectively.

4. Diversity plan

a) Description of the diversity plan

The Supervisory Board has also resolved to strive for a diverse composition, particularly with regard to age, gender, educational background, and occupation.

b) Objective of the diversity plan

The objective of the diversity plan for the Supervisory Board is to ensure that it has a broad understanding of the social and business requirements placed upon DEUTZ AG. In particular, diversity should help the Supervisory Board to judge the business decisions made by the Board of Management from different perspectives and on the basis of a wide range of experience.

c) Manner in which the diversity plan is to be implemented

The Supervisory Board must be able to draw on as wide a range of expertise, capabilities, and experience as possible. It is therefore important to take due account of diversity in its composition and, when preparing election nominations, to make sure that the profiles of the candidates complement those of the existing members.

In accordance with statutory provisions, the Supervisory Board includes at least 30% women and at least 30% men.

A further target for the composition of the Supervisory Board is that members do not remain in post beyond the end of the Annual General Meeting following the member's 75th birthday (standard retirement age), unless special circumstances apply. Nor should members of the Supervisory Board serve any more than three full terms, unless special circumstances apply.

d) Results of the diversity plan achieved in the past year

The current composition of the Supervisory Board reflects the stated objectives and matches the agreed profile of skills and expertise.

The following qualification matrix in accordance with article C.1 DCGK (in the version dated April 28, 2022) illustrates the implementation status:

Qualification matrix for the composition of the Supervisory Board of DEUTZ AG

	Dr. Dietmar Voggenreiter	Sabine Beutert	Silvia Eidt	Helmut Ernst	Melanie Freytag	Patricia Geibel-Conrad	Ismail-Hilmi Kocer	Gottfried Laengert	Dr.-Ing. Rudolf Maier	Bernd Maierhofer	Katja Olligschläger	Hans-Jörg Schaller
General disclosures												
Initial appointment	2019	2013	2025	2023	2023	2018	2023	2023	2020	2023	2023	2023
Independent as defined by DCGK (C.6 onward)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
No overboarding (pursuant to DCGK recommendations C.4 and C.5)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Diversity												
Gender	m	f	f	m	f	f	m	m	m	m	f	m
Year of birth	1969	1959	1964	1960	1975	1962	1982	1967	1957	1960	1966	1960
Nationality	DE	DE	DE	DE	DE	DE	DE	DE	DE	DE	DE	DE
International experience	✓		✓	✓	✓	✓			✓	✓		✓
Areas of expertise												
Experience in managing and supervising international companies	✓			✓	✓	✓			✓	✓		✓
Competence in the Company's areas of activity and in the associated markets and value chains	✓	✓	✓	✓	✓				✓	✓		✓
Competence relating to the strategic and sustainable development of the Company, of technology, and of the markets	✓			✓	✓				✓	✓		
Knowledge of codetermination law	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Knowledge of finance, accounting, and auditing	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Knowledge of legal matters, corporate governance, and risk management	✓		✓	✓	✓	✓		✓		✓	✓	✓
Experience in the areas of supply chains, R&D, and manufacturing				✓				✓	✓	✓		✓
Experience in marketing, sales, and service	✓			✓				✓	✓		✓	✓
Knowledge of sustainability/ESG topics that are relevant to the Company	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Knowledge of IT, digitalization, Industry 4.0, and AI		✓		✓	✓	✓	✓	✓	✓	✓	✓	
Knowledge of capital and financial markets	✓		✓		✓	✓				✓		✓

Disclosures pursuant to section 289f (2) no. 5a HGB

Pursuant to section 76 (3a) AktG, DEUTZ AG is required to appoint at least one woman and at least one man as members of its Board of Management, provided that the Board of Management comprises more than three members. Any appointment of a member of the Board of Management that is made in breach of this minimum quota requirement is void.

Following the departure of Dr. Ing. Markus Müller, which meant that the Board of Management comprised three members as a December 31, 2025, this provision does not apply. Nonetheless, DEUTZ AG complied with this requirement in 2025.

Disclosures pursuant to section 289f (2) no. 1a HGB

The remuneration report for the last financial year, the auditor's report pursuant to section 162 AktG, the applicable remuneration system pursuant to section 87a (1) and (2) sentence 1 AktG, and the most recent resolution on remuneration pursuant to section 113 (3) AktG can be accessed online at www.deutz.com under Corporate Governance.

Disclosures relevant to corporate management practices: compliance management system, environmental, quality, and energy management

DEUTZ AG has a compliance management system that is firmly anchored in the Company's organizational structure. The system is continually enhanced in order to meet changing requirements. At the time this annual report was published, the Chairman of the Board of Management, Dr. Sebastian C. Schulte, was the member of the Board of Management responsible for compliance.

The prime objective of the compliance management system is to prevent violations of applicable laws, rules, regulations, and internal policies. To this end, employees are given help in familiarizing themselves with the relevant laws, regulations, and policies as well as guidance on how to apply them correctly. This is primarily achieved through a structured policy management system in which existing policies are reviewed on an ongoing basis to see if they need updating and new policies are published. The policy management system is based on the code of conduct, which provides a framework for ensuring that behavior toward business partners and employees is fair and in compliance with the law.

In 2025, the code of conduct was again made accessible to all employees via internal communications platforms. Third parties can view the code of conduct on the Company's website. The guidelines set out in the code of conduct are supplemented by and formalized in specific policies, including a compliance policy, a policy on gifts and entertainment, a

business partner compliance policy, an information security policy, a policy on engaging external sales service providers, an anti-money laundering policy, a policy on export controls, an emissions compliance policy, a privacy policy, an AI policy, and an insider trading policy. These policies help to ensure that employees are aware of the relevant laws and regulations and are able to apply them correctly. DEUTZ has also established a code of conduct for suppliers.

The Board of Management supports and promotes ethical conduct. It is unreservedly committed to corporate compliance and declines to be involved in any transactions that are inconsistent with these values. The Board of Management does not tolerate any form of corruption and is fully committed to compliance with competition law and to incorporating sustainability aspects into the Company's activities. In addition, DEUTZ has established a human rights code that documents the human rights principles that are most relevant to the Company. It is based on national and international laws, on conventions and declarations such as the UN Guiding Principles on Business and Human Rights,¹⁴ on the fundamental conventions of the International Labour Organization,¹⁵ and on the United Nations Global Compact.¹⁶ DEUTZ believes that professional and business relationships absolutely have to be grounded in compliance with the human rights code and that this will secure the long-term success of the Company. More detailed information on this is provided in the annual LkSG declaration of principles,¹⁷ the most recent of which was published in December 2025.

Training is intended to ensure that employees are aware of the relevant laws and corporate policies, and that they comply with them at all times in their day-to-day work. For all administrative employees who work in the central sales, procurement, research & development, production, and administrative functions, or in subsidiaries, and work at a PC, training courses were conducted via a web-based e-learning program. In addition to the fixed modules (basic principles of compliance, anti-corruption, antitrust law, export controls and embargoes, dealing with conflicts of interest, health and safety in the office, prevention of money laundering / financing of terrorism, and information security), the training program includes further modules that change on an annual basis. These cover subjects such as data protection for employees, AGG,¹⁸ and non-discrimination, as well as the new module established in 2025 regarding LkSG and a module providing an introduction to artificial intelligence. In addition, a module dedicated to the DEUTZ Code of Conduct was developed in 2025. It was rolled out globally at the start of the 2025 learning period and must be completed annually going forward. This is to ensure that all employees have acknowledged the Code of Conduct.

¹⁴ A global instrument for the elimination and prevention of human rights violations in economic contexts. The 31 Guiding Principles refer to the International Bill of Human Rights and the Declaration of Principles of the International Labour Organization (ILO) and give concrete form to the Protect, Respect and Remedy framework.

¹⁵ Labor standards of the International Labour Organization (ILO) that define universal minimum standards for decent work. They apply regardless of a country's level of development and cover the four areas of freedom of association, prohibition of discrimination in respect of employment and occupation, abolition of child labor, and elimination of forced labor.

¹⁶ A global pact for sustainable and responsible corporate governance. The signatories (businesses, non-governmental organizations, and other non-business entities) commit to embedding ten universally accepted principles into their strategy and contributing to the implementation of the sustainable development goals.

¹⁷ German Supply Chain Due Diligence Act.

¹⁸ German General Equal Treatment Act.

DEUTZ Group: Proportion of workforce to have completed compliance training					
%	2025	2024	2023	2022	2021
Proportion of workforce to have completed compliance training	98.7	97.4	99.1	97.3	98.1

During the reporting year, a total of 4,012 administrative employees successfully completed all modules of the e-learning program that had been assigned to them. This equates to a compliance training completion ratio of 98.7%. In the production plants, compliance training takes place in conjunction with the regular safety training in a manner that is tailored to the particular area of work.

A Chief Compliance Officer appointed by the Board of Management coordinates compliance activities at DEUTZ. The individual business units and subsidiaries have local compliance officers / functional compliance experts, who are responsible for compliance in their organizations and submit regular structured reports in writing to the Chief Compliance Officer, who in turn reports to the Board of Management and the Supervisory Board's Audit Committee. The basic principles of the compliance organization are described in the compliance organizational policy. The duties of the relevant employees are set out in job descriptions.

Employees can supply information or direct questions to line managers, compliance coordinators, the Inclusion Officer, the Equality Officer, the Chief Compliance Officer, or the managers responsible for the legal affairs or internal audit units. Furthermore, the Company's website incorporates a whistleblowing system that can also be accessed by non-employees. The compliance web page is available in German, English, Spanish, French, Italian, and Chinese. The established whistleblowing system has been expanded to include the LkSG complaints procedure, while the related procedural rules have been made available on the web page. Notices can also be submitted anonymously and any information supplied is rigorously followed up. Any necessary investigations are carried out by the Chief Compliance Officer, with external support if required.

Regular meetings are held to develop, discuss, and coordinate compliance initiatives. The compliance activities focus on preventing corruption, tackling money laundering, and complying with export regulations (including export controls). They also ensure safety in the workplace, IT and data security, corporate security, and product safety. A further aim is to prevent breaches of environmental, antitrust, and insider trading laws.

As and when needed, the Board of Management and the Chief Compliance Officer take legal advice on establishing and continuously improving the compliance management system. The internal audit department reviews the activities, and the Audit Committee monitors them on behalf of the Supervisory Board.

Another essential element of corporate management is rigorous environmental, quality, energy, and workplace safety management. In the year under review, DEUTZ AG continued to satisfy the quality management requirements in accordance with ISO 9001, the environmental management requirements in accordance with ISO 14001, and the energy management requirements in accordance with ISO 50001, and applied a system ensuring health and safety in the workplace in accordance with ISO 45001. The relevant certificates from TÜV Rheinland are published on the DEUTZ AG website.

All standards set by the Deutsches Institut für Normung e.V., Berlin (DIN) can be inspected free of charge at DIN standards repositories.

CORPORATE GOVERNANCE REPORT

Basic principles and objectives of the composition of the Supervisory Board; particularly, conflicts of interest / independence of Supervisory Board members and the consideration of women Basic principles and objectives of the composition of the Supervisory Board; particularly, conflicts of interest / independence of Supervisory Board members and the consideration of women

At its meeting held on December 13, 2022, the Supervisory Board adopted the profile of skills and expertise required for its members together with the objectives regarding its composition in accordance with article C.1 DCGK in the version dated April 28, 2022. The most recent update was adopted at the meeting held on December 10, 2024. [🔗 See also p.25 onward.](#)

The Supervisory Board has met the applicable objectives, such as the international experience available on the Supervisory Board and the number of independent members. The current members of the Supervisory Board are all considered independent within the meaning of article C.6 sentence 2 DCGK in the version dated April 28, 2022. No conflicts of interest between members of the Supervisory Board and DEUTZ AG arose in the year under review.

Consideration of women when making appointments to the Board of Management As at December 31, 2025, the Board of Management of DEUTZ AG consisted of three members, one of whom was female. This equated to a ratio of 33%.

Responsible risk management A forward-looking, prudent, and responsible approach to corporate risk is a core aspect of good corporate governance and forms the basis for the risk management system at DEUTZ. The Board of Management regularly notifies the Supervisory Board of any existing or anticipated risks. [See also](#) 'Risk report', p. 80 onward, for further information on risk management.

Comprehensive transparency and active investor relations

Regular, open, and proactive dialogue with the Company's stakeholders forms the basis of good corporate governance and ensures trust in the Company and its value creation process. This is a key reason why DEUTZ undertakes to comply with the transparency guidelines in the DCGK. It is therefore of utmost importance that all target groups receive the same information simultaneously and in a timely manner. We achieve this objective by using various communication formats and media. DEUTZ AG reports on the performance and development of its business and on significant changes and events four times a year in its annual report, its half-year report, and its quarterly statements. The quarterly statements and the half-year report are published within 45 days of the end of a reporting period; the annual report is published within 90 days of the end of the financial year. Conference calls, and sometimes other events, are held on the publication dates of the annual report, half-year report, and quarterly statements, at which senior management is available to answer questions from investors, analysts, etc. A Capital Markets Day is regularly held for analysts, bankers, and institutional investors at DEUTZ headquarters in Cologne, at which the Board of Management delivers a presentation with a particular focus on the Company's strategy. [See also](#) 'DEUTZ in the capital markets', p. 32 onward.

The chairman of the Supervisory Board is always available to talk to DEUTZ investors or other stakeholders. In 2025, talks were held with ISS and Glass Lewis.

The Annual General Meeting, at which our shareholders have the opportunity to exercise their voting rights, is usually held in the first five months of each year; shareholders who do not attend the AGM in person can instruct proxies to vote on their behalf.

The Company's website also offers comprehensive information on DEUTZ: Annual reports, half-year reports, quarterly statements, press releases, ad hoc announcements, voting right notifications, analyst recommendations and assessments, presentations, the Company's Statutes, and the remuneration systems for the Supervisory Board and Board of Management can all be found at www.deutz.com. In addition, the online financial calendar provides information on upcoming events in the Company's financial year.

The aforementioned content is generally published in both German and English to ensure that important company news and information is as accessible as possible, including to an international audience.

Apart from the regularly published information, DEUTZ also issues ad hoc announcements regarding circumstances that are not in the public domain but that could have a significant impact on DEUTZ's share price were they to become known. The Company's reporting policy therefore complies both with legal requirements and the guidelines in the DCGK as amended on April 28, 2022.

Accounting and auditing DEUTZ AG's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The consolidated financial statements are prepared by the Board of Management and audited by the auditor.

The auditor has agreed to inform the chairperson of the Supervisory Board or the chairperson of the Audit Committee of any findings or incidents relevant to their role of which it becomes aware during the audit.

The auditor has also agreed to inform the Supervisory Board or the Audit Committee if it identifies any facts while performing the audit that show that the declaration of conformity with the DCGK submitted by the Board of Management and Supervisory Board contains misrepresentations. The auditor will also note this in the audit report.

The Audit Committee discussed the assessment of audit risk, the audit strategy, the audit plan, and the findings of the audit with the auditor. The chairperson of the Audit Committee regularly discussed the progress of the audit with the auditor and reported on the discussion to the committee. The Audit Committee also regularly met the auditor without the Board of Management.

The auditor informs the chairperson of the Supervisory Board without delay of any findings or incidents relevant to the role of the Supervisory Board that arise during the audit of the financial statements.

Conflicts of interest and consultancy agreements

Information about conflicts of interests in relation to Supervisory Board members can be found under »Basic principles and objectives of the composition of the Supervisory Board« at the start of this corporate governance report. The Company does not have any consultancy agreements with members of the Supervisory Board.

The members of the Board of Management must disclose any conflicts of interest to the Supervisory Board. The Supervisory Board then reports these cases, along with any conflicts of interest relating to its own members, to the Annual General Meeting.

Remuneration report The remuneration of the Board of Management complies with the German Act on the Appropriateness of Management Board Remuneration (VorstAG) and the recommendations in the DCGK. Since 2021, the remuneration has also complied with the German Act Implementing the Second Shareholder Rights' Directive (ARUG II).  See also 'Remuneration report', p. 164 onward, for further information on the remuneration systems for the Board of Management and Supervisory Board and the remuneration granted to individual board members.

Dealings subject to reporting requirements Article 19 of the Market Abuse Regulation (MAR) states that persons with executive functions or persons with whom they are closely associated must notify both the company and the German Federal Financial Supervisory Authority (BaFin) of their own dealings in shares of the company or in financial instruments of the company based on such shares.

In 2025 and up to the time that this annual report was published, Dr. Schulte, Dr. Ing. Mayer, Dr. Ing. Müller, and Mr. Neu disclosed the purchase of DEUTZ shares in accordance with Article 19 MAR. The disclosed transactions are published in the Investor Relations section of the DEUTZ AG website.

DEUTZ in the capital markets

Key data on stock market listing

ISIN	DE0006305006
WKN	630500
Reuters	DEZG.DE
Bloomberg	DEZ:GR
Market segment	Regulated Market / Prime Standard
Index	SDAX
Trading platforms	Xetra, Frankfurt/Main and all other German stock exchanges
Designated Sponsor	ODDO BHF

The positive trend in the stock markets continued with even greater momentum in 2025 and, in contrast with 2024, small and mid-cap stocks also benefited from the bullish mood. Germany's benchmark DAX index rose to an all-time high and closed the year up by 23.0% at 24,490 points. Following a surge at the start of 2025, the markets slumped in early April as US President Trump announced sweeping tariff plans for a large number of countries. However, the markets swiftly bounced back in May and the DAX held steady near its record high until the end of the year. The SDAX index, which comprises 70 smaller listed stocks including DEUTZ, recorded the sharpest rise among Germany's key stock market indices, climbing by 25.3% to 17,175 points. Stronger still was the performance of the DAXsector Industrial, which comprises German industrial companies of all sizes and in which DEUTZ shares are also represented. This sector-specific index advanced by 48.8% year on year to 17,911 points.

The central banks in both the eurozone and the US had started to cut interest rates in 2024 and relaxed their monetary policy further in 2025. Inflation continued to stabilize in the reporting year, even reaching the central bank target level of 2% in Europe. The European Central Bank (ECB) lowered its deposit facility interest rate four times, bringing it down from 3.00% at the start of 2025 to 2.00% in June. Over the second half of the year, the US Federal Reserve reduced its target range for key interest rates in three increments, taking it from 4.25%–4.50% down to 3.50%–3.75% in December 2025.

DEUTZ shares more than doubled in value in the reporting year

DEUTZ shares performed extremely well in 2025, reaching a high for the year of €9.95 on September 8, 2025. The continuing transformation of the business – reflected in news such as the acquisition of the SOBEK Group announced in early September 2025 – was received favorably by the markets. In the fourth quarter, the share price dipped again slightly for reasons such as the absence of a recovery in the wider economy. Ultimately, DEUTZ shares closed the trading year at €8.50, representing a year-on-year share price gain of 110.5%.

DEUTZ AG's market capitalization stood at €1,297.4 million at the end of the reporting period.

Key figures for DEUTZ shares

in €	2025	2024
Number of shares as at Dec. 31	152,638,105	138,761,914
Share price as at Dec. 31 ¹⁹	8.50	4.04
Share price high ²⁰	9.95	6.26
Share price low ²¹	4.02	3.93
Market capitalization as at Dec. 31	1,297.4	560.3
Earnings per share ²²	0.37	0.39

CAPITAL INCREASE AND EARNINGS PER SHARE

DEUTZ AG once again raised additional growth capital in 2025. At the start of September 2025, DEUTZ AG boosted its share capital by 10% by way of a capital increase against cash contributions – with the disapplication of pre-emption rights. This meant that the number of shares in issue rose by 13,876,191 to 152,638,105. The new shares were placed with institutional investors at a price of €9.45 per share. The net proceeds from the capital increase enabled DEUTZ to fund the purchase of the SOBEK Group, unlocking further flexibility for additional growth by acquisition.

Earnings per share is calculated by dividing the net income or loss for the year attributable to the shareholders of DEUTZ AG by the weighted average number of shares in issue. Based on the number of shares in issue during the 2025 reporting year and net income of €54.1 million, basic earnings per share²³ amounted to €0.37 compared with €0.39 in 2024.

¹⁹ Xetra closing price.

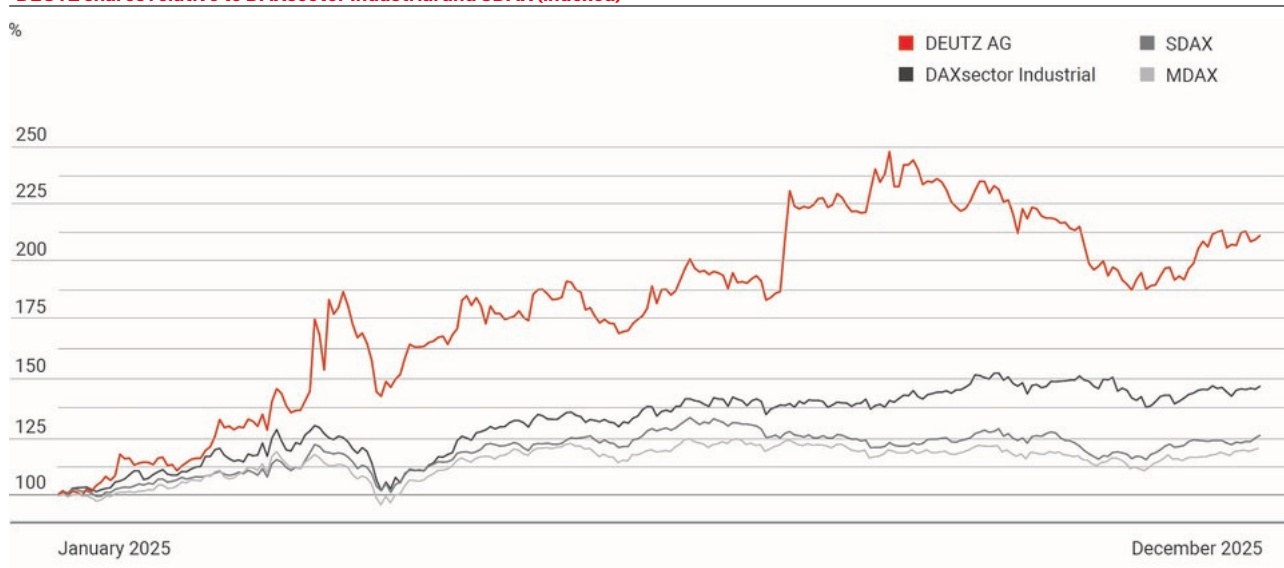
²⁰ Xetra closing price; from Jan. 1 to Dec. 31.

²¹ Xetra closing price; from Jan. 1 to Dec. 31.

²² Calculated on the basis of net income including discontinued operations.

²³ Calculated on the basis of net income.

DEUTZ shares relative to DAXsector Industrial and SDAX (indexed)



ALL DEUTZ SHARES IN FREE FLOAT

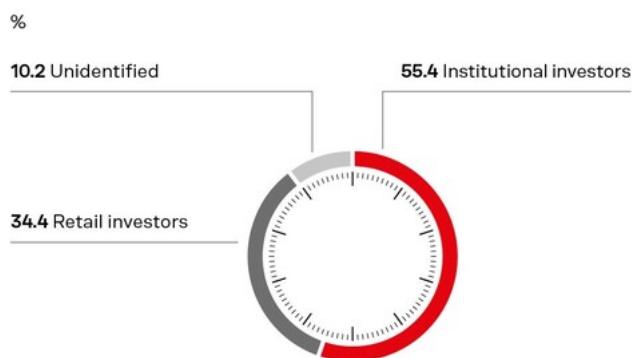
Based on Deutsche Börse’s definition, 100% of DEUTZ AG shares are in free float. At the end of 2025, around 55% of the shares were held by institutional investors and just under 35% by retail investors or private institutions, such as foundations. Approximately 10% of the shares in issue were held by unidentified shareholders. Of the identified institutional investors, almost half were from the USA (47%) and just over a quarter from Germany (26%). Nearly all the other institutional investors were from other European countries, predominantly the United Kingdom, France, and Belgium.

DEUTZ AG at the end of 2025: Daimler Truck AG (Germany) 3.8%, The Vanguard Group, Inc. (USA) 3.5%, Acadian Asset Management LLC (USA) 3.2%, and Lupus alpha Asset Management AG (Germany) 3.1%.²⁴

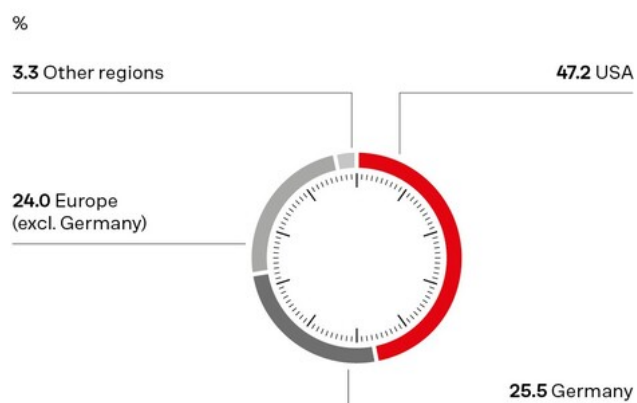
Voting right notifications pursuant to section 40 (1) of the German Securities Trading Act (WpHG) and notifiable managers’ transactions in securities pursuant to Article 19 of the Market Abuse Regulation (MAR) are published on the Company’s website at www.deutz.com under Investor Relations.

According to analysis by Nasdaq Corporate Solutions, the following companies held more than 3% of the shares in

Shareholder structure by type²⁵



Shareholder structure by country (only institutional investors)²⁶



²⁴ Nasdaq Corporate Solutions, analysis as at December 31, 2025.
²⁵ Nasdaq Corporate Solutions, analysis as at December 31, 2025.
²⁶ Nasdaq Corporate Solutions, analysis as at December 31, 2025.

DIVIDEND

DEUTZ strives to fund a large proportion of its growth strategy itself, that is to say from its own capital. At the same time, DEUTZ wants its shareholders to participate in the success of the Company in the form of an adequate and regular dividend. The dividend policy provides for a growing or at least stable dividend per share to be distributed to shareholders.

Following the dividend of €0.17 per share paid by DEUTZ for 2024, the Board of Management and Supervisory Board will propose to the Annual General Meeting on May 13, 2026 that accumulated income be used to pay an increased dividend of €0.18 per share for the 2025 financial year. This would equate to a dividend ratio of around 50%.

TRANSPARENT CAPITAL MARKETS COMMUNICATIONS

The objective of investor relations work is to provide all stakeholders with transparent information about current and future developments in the DEUTZ Group and thereby to build long-term trust in the Company and thus its shares. To this end, DEUTZ undertakes to comply with the transparency guidelines in the German Corporate Governance Code, always communicating promptly, openly, and comprehensively with shareholders, financial analysts, and other capital market players with an interest in the Company.

As in previous years, DEUTZ engaged in intensive dialogue with the capital markets in 2025. In addition to producing regular financial reports, the Company provided details of current business performance and other key developments – such as the acquisitions of HJS Emission Technology and the SOBEM Group – during conference calls and in press releases. Last year, the CEO and CFO also took part in 13 investor conferences (2024: eight conferences) and five roadshows or virtual events. In addition, the Board of Management and the Investor Relations team were available to talk to interested parties from the capital markets at sales briefings, numerous one-on-one meetings, and retail investor events arranged by shareholder associations. At the world's leading trade fair for construction equipment, bauma, which took place in Munich in April 2025, DEUTZ informed a group of investors in person about its products, customers, and strategy as part of an organized visit.

ANALYSTS' RECOMMENDATIONS

The assessments and recommendations of financial analysts provide a basis for equity investments by retail and institutional investors. At the time this annual report was published, a total of six banks and securities houses produced reports on DEUTZ shares.

Analysts' recommendations²⁷

Bank	Institution	Target price (€)	Recommendation
ODDO BHF	13.01.2026	12.60	Buy
Warburg Research	08.01.2026	11.50	Buy
Kepler Cheuvreux	26.02.2026	12.00	Buy
Quirin Privatbank	21.11.2025	10.00	Buy
Berenberg	18.11.2025	10.00	Buy
DZ Bank	10.11.2025	9.30	Buy

Further information and publications on the DEUTZ Group and DEUTZ shares can be found on our website at www.deutz.com.

²⁷ As at February 26, 2026; references to such recommendations and evaluations are made solely to provide readers with information on a non-binding basis. They do not mean that DEUTZ AG endorses, supports, or confirms the recommendations, opinions, or conclusions of the equity research analysts in any way. DEUTZ AG accepts no liability for the selection of analyst recommendations and assessments reproduced here, nor does it accept any liability for whether they are up to date, complete, or accurate. None of the information provided here should be construed as an offer to buy DEUTZ shares, nor does it constitute marketing for DEUTZ shares. DEUTZ AG's liability for loss or damage suffered by third parties as a result of information provided here is excluded.

INDEX FOR COMBINED MANAGEMENT REPORT

38	Fundamental features of the Group
38	Business modell and segments
39	Competitive environment
39	Strategy and objectives
41	Main sites and basis of consolidation
42	Internal management system
44	Research and development
46	Production and logistics
48	Purchasing and procurement
49	Employees
50	Macroeconomic and industry-specific environment
50	Economic environment
50	Procurement market
51	Industry-specific environment
53	Business performance in the DEUTZ Group
53	New orders
55	Revenue
56	Earnings
59	Business performance in the segments
60	DEUTZ Engines & Services
63	DEUTZ Solutions

65	Financial position
65	Basic principles and objectives of financial management
65	Funding
67	Cash flow
67	Capital expenditure
68	Net assets
70	DEUTZ AG
74	Overall assessment for 2025
75	Group sustainability statement pursuant to sections 289 b and 315 b HGB
75	Corporate governance declaration pursuant to sections 289f and 315d HGB
75	Disclosures pursuant to sections 289 a and 315 a HGB
79	Further disclosures
80	Explanatory statement by the Board of Management in connection with
80	Risk report
90	Group sustainability statement
91	Foreword
92	General disclosures
112	Environmental information
136	Social information
145	Entity-specific disclosures
151	Other information
160	Forecast for 2026
163	Outlook for the period to 2028

Fundamental features of the Group

Business model and segments

The DEUTZ Group is a system provider for innovative and sustainable mobility and energy solutions. Alongside its business activities centering on the development, production, and marketing of high-performance drive systems for mainly off-highway²⁸ applications, DEUTZ has extended its portfolio to include alternative drive solutions and decentralized energy and power generation systems so that it can target new markets and play its part in the transition to more sustainable transportation and power supplies. DEUTZ is also forging ahead with the expansion of its defense business. The broad-based product portfolio is complemented by a rapidly growing global service offering that encompasses maintenance, repairs, spare parts, and remanufacturing. It is being continually expanded with the addition of digital, data-driven services. With around 1,250 sales and service locations in nearly 180 countries, DEUTZ offers its customers an integrated range of products and services from a single source.

In 2025, the Company's operating activities were divided into the segments DEUTZ Engines & Services and DEUTZ Solutions.

The DEUTZ Engines & Services segment, which accounted for 91.1% of total revenue in 2025, encompassed the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business. The DEUTZ Solutions segment included alternative drives as well as business activities that go beyond engine manufacturing and service. It was subdivided into the two business units DEUTZ NewTech and DEUTZ Energy. DEUTZ NewTech covered e-products, hydrogen internal combustion engines, battery management specialist Futavis, the UMS business (a specialist in the electrification of off-highway and defense vehicles), and the associated service businesses. At the core of the Energy business unit, which focuses on decentralized energy supply, was the business of genset²⁹ manufacturer Blue Star Power Systems and that of MAGIDEUTZ.

In order to support the company's transformation in a customer-oriented manner while also ensuring that it remains agile, a new organizational structure comprising five independent business units (BUs) was developed in 2025. The Company's entry into new markets is resulting in growing differences between the requirements of the individual areas of business at DEUTZ. This is where the new structure comes in that was introduced from January 1, 2026. In line with the new divisional organizational structure, DEUTZ also adjusted its segment structure with effect from January 1, 2026³⁰. The Company now distinguishes the following five segments:

- 1. Services:** The Services segment includes the DEUTZ Group's entire service portfolio.
- 2. Engines:** The Engines segment comprises the development, production, and distribution of diesel and gas engines.
- 3. NewTech:** The NewTech segment covers battery-powered drives, including those of UMS, hydrogen internal combustion engines, and the battery management systems of Futavis.
- 4. Energy:** The Energy segment brings together the business activities of Blue Star Power Systems, DPX, MAGIDEUTZ, and Frerk Aggregatebau.³¹
- 5. Defense & Other:** The Defense & Other segment comprises the distribution and servicing of drive and energy solutions for defense customers, including all business activities of SOBEK and of HJS Emission Technology.

²⁸ Business comprising engine-powered applications whose use on roads is subject to restrictions, e.g. agricultural vehicles, construction vehicles, material handling equipment, and trains.

²⁹ A generator unit that generates electrical energy from available resources, specifically so that the equipment being powered is not dependent on the electricity grid.

³⁰ The new segment structure will be used for the first time in the reporting cycle for the first quarter of 2026.

³¹ In mid-December 2025, DEUTZ signed an agreement to acquire all of the shares in Frerk Aggregatebau GmbH; see the press release dated December 17, 2025. The acquisition was completed on February 3, 2026; see the press release dated February 3, 2026.

Competitive environment

From a regional perspective, the DEUTZ Group's sales are focused on Europe, North America, and Asia. Competitors are based primarily in Germany, Italy, the United Kingdom, Japan, Switzerland, Sweden, and the USA.

Main competitors of DEUTZ^{32,33}

Area of business	Applications	Main competitors ³⁴
Internal Combustion engines	Excavators Wheel loaders Forklift trucks Telehandlers Tractors & Harvesters	Cummins, USA Isuzu, Japan John Deere, USA Kubota, Japan Perkins, UK Yanmar, Japan
Defense	Special vehicles Military power supply	Caterpillar, USA Cummins, USA Fiat Powertrain, Italy Rolls Royce Power Systems, Germany
Service	Maintenance Repairs Remanufacturing	Cummins, USA John Deere, USA Kubota, Japan Perkins, USA
NewTech	Construction equipment Tractors Energy storage On-road trucks ground support equipment Open-cast and underground mining vehicles	Accelera/Cummins, USA CATL, China Suncar, Switzerland Webasto, Germany
Energy	Gensets Stationary equipment	Caterpillar, USA Cummins, USA Generac, USA Rehiko, USA

Strategy and objectives

DEUTZ has set itself a long-term target for 2030 of raising consolidated revenue to around €4 billion and, at the same time, achieving an adjusted EBIT margin of 10% – through both organic growth and growth by acquisition. In addition, DEUTZ has set itself clear medium-term targets for 2028: revenue of between €3.2 billion and €3.4 billion, plus an adjusted EBIT margin of between 8% and 9%.

In addition to the internal combustion engine business for off-highway applications, the servicing of engines, and the development of alternative, climate-friendly drives, DEUTZ is focusing on new areas of business where the Company, with its expertise and experience, already has a lead or can establish one – in other words, where it has right-to-win potential. These areas include the market for decentralized energy supply, and security and defense. By breaking into new and less cyclical areas of business, DEUTZ reduces its dependency on the very cyclical construction equipment and agricultural applications market and makes the Company more resilient overall, especially given its previously high level of reliance on the internal combustion engine business.

As a result of DEUTZ's broader positioning, the requirements and nature of its lines of business are becoming more diverse. The requirements in the electricity generator business, for example, differ from those in the engine business or defense sales. With this in mind, DEUTZ created a new organizational structure with five independent business units (BUs),³⁵ meaning that decisions can be taken with a much more entrepreneurial and customer-focused mindset. The new divisional organizational structure was introduced with effect from January 1, 2026.

The **Defense business unit** serves to expand the defense business and positions DEUTZ as an industrial partner for public-sector clients, established defense companies, and up-and-coming defense-tech firms. By bringing together market access and expertise in regulation and exports, the Defense BU functions as the go-to-market interface for the entire DEUTZ portfolio – from conventional internal combustion engines through hybrid and e-systems, to mobile energy supply solutions. The business unit aims to build up a reliable network of partners and to expand its offering to include unmanned systems and software-controlled applications through strategic partnerships and acquisitions of technology companies. The Defense BU is thus a core element of DEUTZ's Dual+ strategy: it unlocks new markets, exploits existing industrial strengths, and contributes to the diversification and future technological competitiveness of the Company.

DEUTZ gained access to the fast-growing defense market through its acquisition of the SOBEK Group in the second half of 2025. SOBEK is a leading manufacturer of powerful electric drives for a number of specialized high-tech applications, such as military drones, motorsports, healthcare technology, and aerospace.³⁶

³² Power Systems Research, October 2025; DEUTZ Martec Study, September 2025; PowerGen Statistics, September 2025; Shepard Military Database, February 2026.

³³ With the exception of Weichai, Chinese competitors are not listed here due to the lack of comparable quality standards and the significantly lower cost structures.

³⁴ In alphabetical order.

³⁵ The segment structure also changed from January 1, 2026 in connection with the reorganization. See 'Business model and segments'.

³⁶ See the ad hoc disclosure dated September 2, 2025.

In order to further strengthen its position as a partner in the growing ecosystem of unmanned defense technologies, DEUTZ also formed a strategic partnership with ARX Robotics for digitalized drives and unmanned defense systems. ARX Robotics is a leading European defense tech company. Some of the aims behind the strategic partnership are to deploy DEUTZ's drive systems in unmanned ground vehicles from ARX Robotics and to position DEUTZ as a partner for scaling up ARX Robotics' supply chain and production operations.³⁷

The **Energy business unit** establishes DEUTZ as an international provider of decentralized energy supply systems in a market that is growing around the world. Targeted acquisitions and the use of existing expertise, technologies, and sites gives rise to a scalable, global portfolio for emergency power solutions and hybrid energy solutions. The BU draws on DEUTZ's existing engine and systems know-how, supplementing it with expertise in systems integration, storage technology, and hybrid energy supply. The strategic aim is to build a profitable business with regional diversification and strong growth in North America, Europe, and Africa. The Energy BU makes a profound contribution to the Group's resilience by making DEUTZ less dependent on the cyclical engines business while also creating synergies with the Engines, NewTech, Defense, and Service BUs – for example by using its established service network, especially in the USA and Europe.

Following the acquisition in 2024 of US genset manufacturer Blue Star Power Systems, whose business – together with that of MAGIDEUTZ – then formed the core of the Energy BU, DEUTZ signed an agreement at the end of 2025 to acquire Germany-based Frerk Aggregatebau (Ferk).³⁸ Frerk is one of Europe's leading systems integrators for diesel and gaseous emergency power systems that are primarily used in critical infrastructure such as data centers. In addition to electricity generators, the company supplies turnkey systems that ensure an uninterrupted power supply in the event of an outage. DEUTZ expects the acquisition of Frerk, which was completed at the start of February 2026, to provide additional profitable revenue of around €100 million. DEUTZ also increased its stake in the Chinese company DEUTZ Power Solution (DPX) in 2025. DPX's main area of business is the sale of traditional drive systems and the manufacture and sale of gensets.

Revenue in the energy business is expected to increase to at least €500 million by 2030 through both organic growth and growth by acquisition.

The **Engines business unit** focuses on strengthening and further developing the classic internal combustion engines business. Bringing together development, production, distribution, and supply chain in a single unit from an organizational point of view achieves greater speed, market

focus, and flexibility. In terms of strategy, the business unit concentrates on markets and areas of application where the internal combustion engine will remain indispensable in the long term – notably the off-highway segment, emergency power solutions, and new regional markets such as the USA, India, and China. Partnerships are playing an ever greater role in this regard, such as the integration of selected Daimler Truck engines in the DEUTZ engine portfolio and the increased cooperation with partners in India and China. Simultaneously, the Engines business unit serves as the bedrock for other business lines by fostering potential synergies for the Energy, Defense, and Service business units. The aim is to position DEUTZ among the top three independent drive manufacturers worldwide and to ensure its long-term profitability through efficiency improvements, modularization, and software integration.

The **NewTech business unit** is driving the transition to alternative drive systems, with a focus on electric, hybrid, and hydrogen-based drive solutions predominantly for off-highway applications at present. DEUTZ's acquisition in April 2025 of UMS, a Dutch specialist in the electrification of off-highway vehicles, bolstered DEUTZ's technology base in this area, opened up access to e-systems that are scalable on an industrial level, and provided much broader access to the market.³⁹

In its strategy, NewTech thinks in terms of systems rather than individual components in order to develop flexible, application-oriented solutions and shorten the time from development to industrial implementation. Even though the market remains muted at present, the unit is focusing steadfastly on the anticipated ramp-up of alternative drives. NewTech is an integral element of the Dual+ strategy and is DEUTZ's channel for the long-term development of new areas of value creation beyond the conventional drive business.

The **Service business unit** pursues a growth strategy aimed at expanding the global service business, which is a high-margin and steady source of income. The focus is on maximizing the uptime and lifespan of engines and systems in the field. Building on a network of around 1,250 service sites worldwide, this business unit is enhancing its position through strategic acquisitions, digitalization, and process automation. Smart logistics solutions and new business models such as »Uptime as a Service« create additional economies of scale. The business unit continually enhances its service offering beyond engines to encompass end-to-end solutions for machinery and equipment fleets as well as products from the new Defense, Energy, and NewTech business units. This strengthens the Service BU's position as an integral element of DEUTZ's strategy, making it a key differentiator in the competitive arena.

³⁷ See the press release dated October 16, 2025.

³⁸ See the press release dated December 17, 2025.

³⁹ See the ad hoc disclosure and press release dated April 6, 2025.

DEUTZ acquired its former Istanbul-based service partner Catalkaya Makina in mid-2025 with the aim of strengthening its service and sales network in Turkey. In the steadily growing US market, DEUTZ has also acquired two companies specializing in maintenance and repair services for heavy machinery, such as mining equipment, trucks, and rail vehicles: its former service partner OnSite Diesel⁴⁰ and Nevada-based Double Down Heavy Repair. The latter has expanded the scope of DEUTZ's service business to include the machinery in which engines are installed. DEUTZ intends to keep growing through acquisitions, albeit with a focus on core European markets (including Germany) and the USA.

Service revenue is forecast to rise to around €1 billion by 2030.

Future Fit cost-cutting program In 2024, DEUTZ launched a focused cost-cutting program, Future Fit, in order to raise its long-term competitiveness and mitigate the economically challenging market conditions. The program is aimed at permanently lowering costs by €50 million by the end of 2026 through a number of initiatives, including a reduction in excess staff capacity – particularly in the engine business. By the end of 2025, all of the program's measures had been implemented as planned, meaning that the forecast cost-cutting effect will be achieved in full over the course of 2026.

Sufficient financial flexibility In September, DEUTZ carried out a capital increase against cash contributions – with the disapplication of pre-emption rights – by using some of the existing authorized capital.⁴¹ In view of gross issue proceeds of around €131 million,⁴² the financial instruments that it has in place, and its equity ratio of 51.3%, DEUTZ believes that it is in a strong financial position to continue investing in organic growth and still pursue its buy-and-build strategy following the M&A activities to date.

Main sites and basis of consolidation

DEUTZ AG is the executive and operating parent company in the DEUTZ Group; it is headquartered in Cologne, Germany. It has various investments in Germany and abroad, including several companies that perform sales and service functions, plus production facilities in Germany, the Netherlands, China, Morocco, Spain, and the USA.

In order to make the supply chain for efficient internal combustion engines more resilient, DEUTZ acquired 50% of the shares in HJS Emission Technology GmbH & Co. KG (HJS Emission Technology), an exhaust aftertreatment specialist based in Menden (Germany). HJS Emission Technology is fully consolidated.

On June 2, 2025, DEUTZ acquired all the shares in UMS Holding B.V. (UMS), a company based in Oss (Netherlands) that specializes in the electrification of off-highway and defense vehicles.

As part of its portfolio expansion, DEUTZ also acquired all the shares in SOBEK Group GmbH (SOBEK) on September 2, 2025. SOBEK is a manufacturer of powerful electric drives for a variety of specialized high-tech application areas, such as military drones, motorsports, healthcare technology, and aerospace. The company is headquartered in Hirschberg (Germany) and operates three sites in the federal states of Baden-Württemberg and Hessen.

Moreover, DEUTZ increased its stake in the Chinese company DEUTZ Power Solution (Xuzhou) Co., Ltd. (DPX), based in Jiangsu (China), from 40% to 60% over the course of the reporting year. DPX's main area of business is the sale of diesel engines and the manufacture and sale of gensets.

With effect from October 2, 2025, DEUTZ acquired all the shares in Istanbul-based Catalkaya Makina Sanayi ve Ticaret Limited Şirketi, Turkey (now DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi or DEUTZ Turkey).

Furthermore, DEUTZ acquired all the shares in Double Down Heavy Repair LLC (Double Down Heavy Repair), based in Elko, Nevada (USA) on November 3, 2025. Double Down Heavy Repair is a leading provider of specialist services for construction and mining equipment and rail vehicles.

In mid-December 2025, DEUTZ signed an agreement to acquire all of the shares in Frerk Aggregatbau GmbH (Fwerk), a systems integrator for emergency power systems and decentralized energy supply based in Schwering (Germany). The transaction was completed on February 3, 2026.

⁴⁰ The acquisition was part of an asset deal.

⁴¹ See the ad hoc disclosure dated September 8, 2025.

⁴² See the ad hoc disclosure dated September 9, 2025.

In addition to DEUTZ AG, 14 German companies (December 31, 2024: eight) and 39 foreign companies (December 31, 2024: 33) were included in the consolidated financial statements as at December 31, 2025. A complete list of DEUTZ AG's shareholdings as at December 31, 2025 can be found in the annex to the notes to the consolidated financial statements.

See 'Shareholdings of DEUTZ AG', p. 266 onward.

Internal management system

The DEUTZ Group defines its budget targets and medium-term corporate targets using selected key performance indicators (KPIs). The Group is managed on the basis of the following financial performance indicators in order to increase profitability and achieve sustained growth. These KPIs are alternative performance measures that are not defined in the International Financial Reporting Standards (IFRS). A reconciliation of these KPIs to the amounts recognized in the financial statements is provided below.

The key performance indicators used to manage the DEUTZ Group were calculated from the perspective of continuing operations in 2024 and therefore excluded the Torqeedo Group, which was deconsolidated in 2024.

Key performance indicators ⁴³		2025	2024 ⁴⁴
Revenue growth	%	12.7	-12.1
EBIT margin (before exceptional items)	%	5.5	4.2
Working capital ratio (average)	%	18.6	22.2
ROCE (before exceptional items)	%	8.3	6.6
R&D ratio	%	4.2	5.1
Free cash flow (before M&A)	€ million	44.2	30.0

Revenue growth DEUTZ strives to steadily increase its revenue as the basis for the profitable growth of the Company. Revenue data is collated on a monthly basis, broken down by product group, application segment, and region. This data is provided to senior management promptly so that it can, if necessary, react quickly to changes as they materialize.

EBIT margin (before exceptional items) The main key performance indicator that DEUTZ uses to manage the Company's operating performance is the EBIT margin before exceptional items. It is based on the Group's earnings before interest and tax (EBIT). The EBIT figure is then adjusted for exceptional items and calculated as a percentage of revenue. Exceptional items are defined as significant income generated or expenses incurred that, due to their timing and/or specific nature, are unlikely to recur and are outside the scope of the Company's ordinary business activities. Adjusting for exceptional items helps to provide a better comparison of the Company's operating performance over time. Examples of exceptional items include impairment losses, reversals of impairment losses, gains and losses on the disposal of non-current assets, certain costs for strategic projects or organizational changes, restructuring costs, and income from the reversal of related provisions. The adjusted EBIT margin is, like revenue growth, calculated monthly and presented to senior management as part of internal reporting. Exceptional items amounted to an expense of €(38.4) million in 2025 (2024: expense of €34.8 million). An explanation is provided in the section on earnings. See 'Earnings', p. 56 onward.

Working capital ratio (average) The Company's tied-up capital is managed using the average working capital ratio. This is the ratio of average working capital over the past four quarters to revenue for the preceding twelve months. Working capital comprises inventories plus trade receivables less trade payables. Along with revenue growth and the EBIT margin (before exceptional items), this key figure is calculated monthly and used by senior management to control the business.

⁴³ Alternative Performance Measures.

⁴⁴ Key performance indicators based on continuing operations.

ROCE⁴⁵ The return on the capital employed in the Group is measured and managed on an annual basis using the key figure ROCE (before exceptional items). This is calculated as follows:

ROCE

€ million

	2025	2024 ³⁸
Total assets	1,912.1	1,683.3
Cash and cash equivalents	63.5	62.0
Trade payables	260.7	235.0
Other current and non-current liabilities	141.5	111.1
Capital employed	1,446.4	1,275.2
Capital employed (average for the year)	1,360.8	1,163.5
Adjusted EBIT (EBIT before exceptional items)	112.3	76.7
ROCE (before exceptional items,%)	8.3	6.6

R&D ratio As a technology-focused company, DEUTZ considers the R&D ratio to be one of its most significant performance indicators in the internal management system. It is the ratio of research and development expenditure (after deducting grants) to revenue in the period in question. The R&D ratio is calculated monthly and reported to senior management.

Free cash flow before M&A The DEUTZ Group uses free cash flow before mergers and acquisitions as its main performance indicator for managing liquidity. It comprises net cash provided by, and used for, the operating activities and investing activities of the Group before mergers and acquisitions during the period in question less interest payments in connection with financing activities. Free cash flow before mergers and acquisitions is reported to senior management monthly.

Based on the performance indicators described here, DEUTZ has set up an early warning system in order to be proactive and respond promptly. At the same time, it operates a robust system of causal analysis to ensure that it minimizes risks and makes the most of opportunities. Three times a year, an annual forecast is produced for all key performance indicators to ensure transparency with regard to the Company's business performance.

In addition to the key financial performance indicators that form part of the management system described above, DEUTZ also employs other metrics to measure its economic performance. These include, but are not limited to, new orders received, revenue and unit sales, working capital as at the reporting date with regard to tied-up capital, and earnings before interest, taxes, depreciation, and amortization (EBITDA). Moreover, the Group net income and the DEUTZ AG statutory income in accordance with the German Commercial Code are significant factors for DEUTZ as regards dividend payments.

Continuous optimization of the control system Regardless of fluctuations in the economic cycle, one of the DEUTZ Group's overriding aims is the continuous optimization of its management systems. This essentially involves the annual planning of all performance indicators specified here, taking account of internal estimates of future business as well as benchmark figures from competitors. Each organizational unit prepares detailed plans for its area of responsibility, which are then coordinated with senior management. Both the specific unit sales and revenue targets and the customer and product-related targets (EBIT margins) are aligned with the operating units each year, taking groupwide objectives into consideration. This means that they are available at the relevant hierarchical level for use in the operational management of the segments.

Working capital targets are specified for the individual group companies in order to optimize the amount of capital tied up in the business. Specific targets for inventories, trade receivables, and trade payables are allocated to the individual employees with responsibility for the respective areas.

In order to secure the financial basis for its growth strategy, the Company has made the management of capital expenditure a central element in the management of tied-up capital, whereby specified budget figures set out the framework for the level of capital expenditure and development expenditure; actual requirements are derived from the medium-term planning of unit sales and the resulting requirements in terms of capacity and technologies. Annual budget meetings are held to coordinate individual projects, development expenditure, and planned capital expenditure with the groupwide financial planning process and to record the outcomes. An additional detailed review is carried out before projects are actually approved. To this end, standard investment appraisal methods are used, such as the internal rate of return, the amortization period, the net present value, the impact on earnings, and cost comparisons. A project with an appropriate budget is only approved if there is a clear positive outcome from this investment appraisal.

³⁸ Key performance indicators based on continuing operations.

⁴⁵ Return on capital employed.

Research and development

Research and development expenditure R&D expenditure fell from €100.7 million in the prior year to €89 million in 2025. After the deduction of grants received from development partners and subsidies, R&D expenditure amounted to €85.0 million (2024: €93.4 million), which was within the forecast range of between €80 million and €90 million.⁴⁶ Capitalized development expenditure after deducting grants stood at €5.1 million (2024: €2.2 million). The R&D ratio after deducting grants declined from 5.1% in the prior year to 4.2% in 2025.

Research and development expenditure (after deducting grants)

€ million (R&D ratio, %)

2025	85.0 (4.2%)	
2024	93.4 (5.1%)	

R&D expenditure after deducting grants came to €62.7 million in the DEUTZ Engines & Services segment (2024: €63.0 million). It primarily related to ongoing development of various engine series, especially in the sub-4 liter category and for Daimler Truck industrial engines, and to support for existing engine series. In the DEUTZ Solutions segment, R&D expenditure after deducting grants amounted to €22.3 million in the reporting year (2024: €30.4 million). It was mainly spent on the ongoing development of electric drive systems and associated battery solutions as well as the further development and testing of the hydrogen engine.

Research & development activities Targeted R&D activities are an important part of DEUTZ's efforts to transform its engine portfolio and thus reach another milestone in the Dual+ strategy.

Fulfilling the statutory requirements created by international emissions legislation plays a major part in shaping the R&D activities. Another material influence is the steady march of climate change together with the related debate about reducing harmful greenhouse gases. In contrast to cars and commercial vehicles, there are currently no laws or limits in Europe, North America, or Japan aimed at further reducing the CO₂ emissions of mobile machinery. DEUTZ is monitoring these developments very closely and focusing its R&D spending and projects on ensuring that its engine portfolio meets the expected threshold values ahead of time.

DEUTZ is actively pursuing the development of carbon-neutral drive systems in the off-highway segment and aims to offer a climate-neutral product and technology portfolio by no later than 2050. To this end, intensive work is being carried out both on electric drive systems and on the further development of internal combustion engines to run on alternative, climate-neutral fuels.

Open to new technologies Different applications with varying power requirements call for alternative drive solutions. Construction equipment and agricultural machinery, for example, need a great deal more power and energy than forklift trucks or lifting platforms. This is why DEUTZ is taking an open-minded approach to technology as it continues to develop its drive portfolio, essentially pursuing a two-pronged technology route toward carbon-neutral off-highway drive solutions. The Company firmly believes that internal combustion engines will continue to play a dominant role in certain mobile machinery applications in the years ahead, because no suitable electric drive systems are available in the market. As regards these applications, the R&D activities of the Engines BU are directed toward developing more environmentally friendly internal combustion engines that can be run on alternative or sustainable fuels such as HVO,⁴⁷ hydrogen, or e-fuels. The other part of the Company's two-pronged approach is to employ electric technology more widely. The development of high-performance diesel-based emergency power generators helps to ensure the security of supply in increasingly fossil-fuel-free energy systems by providing reliable backup solutions for periods – known as *dunkelflauten* – of low solar and wind power generation due to a lack of sun and wind, and other temporary bottlenecks in power generation.

Electric drive solutions The DEUTZ NewTech business unit offers a scalable product range of electric drives and rapid charging solutions for specific customer requirements in the off-highway segment. The Company has been building up this product portfolio since 2017. In this field, DEUTZ is presenting itself as a one-stop systems engineering partner and systems integrator, capable of providing an integrated system consisting of an electric motor, battery, power electronics, and reduction gear for traction, along with control software for battery management, functional safety, and actuator logic. The focus of R&D activities in this area was initially on drive systems for customer applications in the low and medium power output range, but has widened – especially since the acquisition of UMS in mid-2025 – to also address the accelerated further development of products for heavy-duty applications.

⁴⁶ See the business outlook in the 2024 annual report.

⁴⁷ Hydrotreated vegetable oil is an innovative biofuel produced from biological waste, slurry, and used cooking oils and fats, and is therefore not in competition with food production. Its properties are very similar to fossil-based diesel and, as a result, it can be used as a direct replacement.

The 360-volt system with a power output of 30 kW to 155 kW reached production readiness in 2023 and has since formed the core of the electric drive solutions portfolio. In 2025, the development of an 800-volt system progressed to near completion. DEUTZ is collaborating with customers to develop a range of applications for products such as electric road sweepers, concrete pumps, and excavators. Another area of focus are solutions for decarbonizing airports and ports, for example by replacing the diesel engines in existing vehicles with environmentally friendly electric drives. [See also](#) 'Research and innovation' in the Group sustainability statement, p. 145 onward.

Hydrogen-powered drive solutions For more than six years, DEUTZ has been working intensively on the development of internal combustion engines that can run on hydrogen, a sustainable power source, and be operated entirely carbon-free. Green hydrogen, which is generated from solar, hydro, or wind power, offers the possibility to convert energy from renewable sources into a storable gas for efficient use.

The production-ready DEUTZ TCG 7.8 H2 hydrogen engine was further refined in 2025 with regard to individual components and application segments such as H2 gensets and was approved for release, having passed relevant emissions tests. Since 2025, around 20 gensets powered by a hydrogen engine have been in use by customers in the field. The HyCET (Hydrogen Combustion Engine Trucks) research project, which was launched in 2022 with the aim of demonstrating the sustainability potential of trucks with hydrogen internal combustion engines in transportation logistics, was progressed further in 2025. Together with several partners and under the leadership of the BMW Group, two 18-tonne trucks were developed that use the DEUTZ TCG 7.8 H2 engine. These trucks are expected to become licensed for use on public roads in early 2026 and will then be tested in regular BMW Group and DEUTZ logistics operations on public roads.

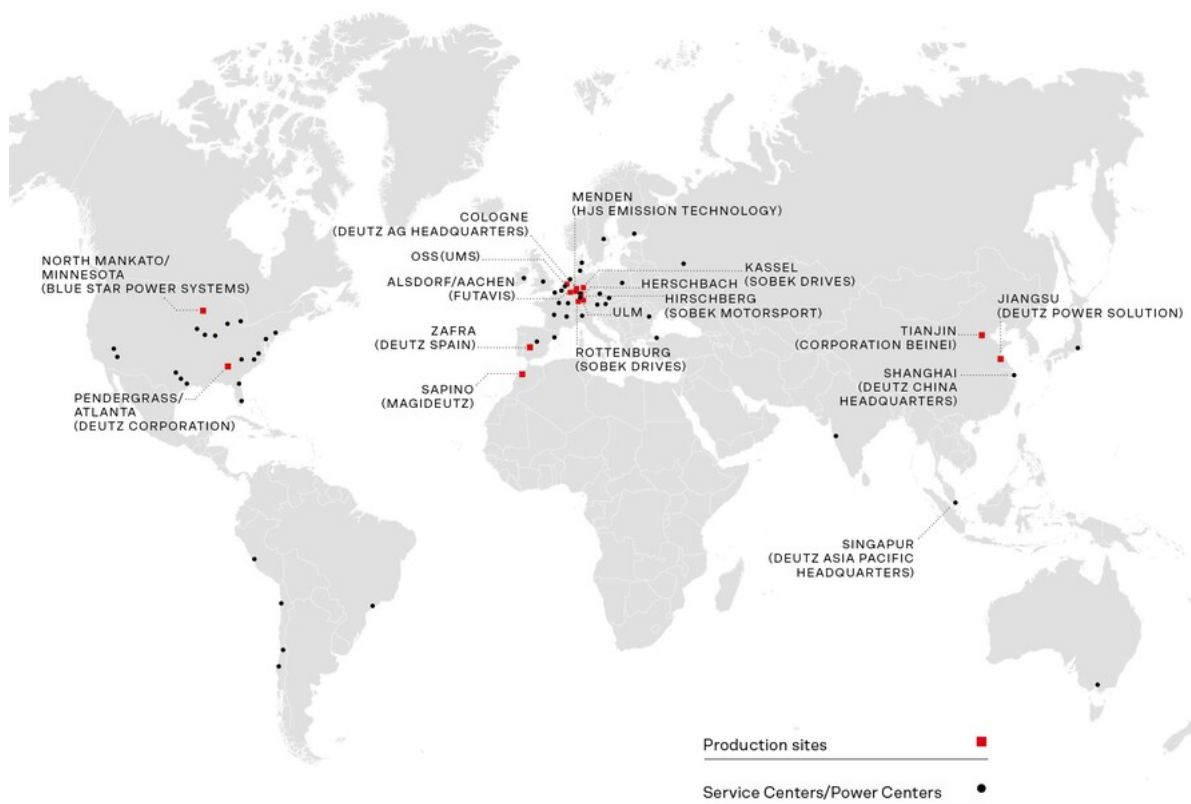
[See also](#) 'Research and innovation' in the Group sustainability statement, p. 145 onward.

Diesel engines Alongside support for existing engine series, ongoing development work on the new DEUTZ TCD 3.9 engine series was a priority in 2025. This efficient, low-maintenance engine platform, which can be used in a broad range of applications, went into volume production in 2025.

In addition, research and development activities were ramped up significantly for medium-duty and heavy-duty engines with capacities from 5 to 16 liters. These engines formed part of the alliance agreed with Daimler Truck AG in 2023 and the takeover in 2024 of sales and service activities from Rolls-Royce Power Systems.

Production and logistics

DEUTZ Group production sites



Germany

- **ALSDORF/AACHEN (FUTAVIS)**
Battery management systems

- **HERSCHBACH**
Components plant for manufacturing and pre-assembly of complex add-on components

- **HIRSCHBERG (SOBEK Motorsport)**
Electric drive systems and control electronics specifically developed for motorsports and vehicle applications

- **KASSEL AND ROTTENBURG (SOBEK DRIVES)**
High-performance electric drives and related control and power electronics for industrial and technological applications

- **COLOGNE-PORZ (DEUTZ AG HEADQUARTERS)**
Assembly plant for volume production of sub-4 liter engines and 4–8 liter engines, centers of excellence for camshafts, crankshafts, and crankcases

- **COLOGNE-KALK**
Center of excellence for crankcase manufacturing

- **MENDEN (HJS Emission Technology)**
Exhaust aftertreatment systems

- **ULM**
Small production runs (V engines, air-cooled/oil-cooled engines, production of the DEUTZ PowerTree, Xchange engine remanufacturing, small production runs for crankcases, crankshafts, and gearwheels)

China

- **CHANGSHA (SANY JOINT VENTURE)**
Engine assembly plant for SANY trucks and construction equipment

- **TIANJIN**
Assembly plant for engines with sub-4 liter and 6 liter engines for applications in lifting platforms, in forklift trucks, and in small construction equipment as part of the contract manufacturing alliance with BEINEI

- **XUZHOU (DEUTZ POWER SOLUTION)**
G-drive engines and gensets⁴⁸

Morocco

- **SAPINO (MAGIDEUTZ)**
Gensets

Netherlands

- **OSS (UMS)**
Battery-electric drives for off-highway applications

Spain

- **ZAFRA (DEUTZ SPAIN)**
Center of excellence for the processing and pre-assembly of cylinder heads, crankcases for sub-4 liter engines, conrods, and gearwheels

USA

- **NORTH MANKATO/MINNESOTA (BLUE STAR POWER SYSTEMS)**
Genset production
- **PENDERGRASS/ATLANTA (DEUTZ CORPORATION)**
Value-added production, Xchange engine remanufacturing

⁴⁸ G-drive engines are internal combustion engines specifically designed, certified, and pre-configured to power a generator in a genset.

In 2025, the level of engine production at the DEUTZ Group's own plants was lower than in the prior year, which had itself been low. Due to weak demand in the core target markets caused by economic headwinds, the plants produced around 127,600 internal combustion engines compared with around 135,000 in 2024. DEUTZ also sold some 8,100 engines manufactured by third parties. The production of battery systems and, in particular, electricity generators was stepped up considerably. The new subsidiary, SOBEK, expanded its production capacity too.

Besides new product launches, the plants focused on further optimizing production and logistics processes, making increased use of the possibilities offered by groupwide supply chain management and the global production network. A number of steps were taken to make production as efficient as possible given the low level of capacity utilization, including the implementation at the Cologne and Herschbach sites of measures agreed with the works council in March 2025 to increase flexibility.

At its main production site for the Engines business unit in **Cologne-Porz**, DEUTZ put the new DEUTZ TCD 3.9 engine series into volume production in 2025, having completed the necessary installations and adjustments to the assembly line and other equipment. The production teams also received extensive training on the new engine series, ensuring that the first engine rolled off the series assembly line at the beginning of April. In 2025, the DEUTZ TCD 4.1 and DEUTZ TCD 6.1 engine series were migrated to the flexible assembly line 6, which had been installed the previous year. These engine series now benefit from the latest assembly technology and consistent processes.

In 2025, the shaft center, which is also based in Cologne-Porz, successfully completed the automation project that had been running since 2021. Thanks to new processes and machines, the production lines' output is now up to 20% higher. Crankcase manufacturing in Cologne-Kalk is being prepared for its announced closure at the end of 2026. This is an important step toward optimizing the network of production sites. Employees are largely being offered the chance to continue working at other DEUTZ sites in Cologne.

Key milestones at the **Herschbach** site in 2025 included the commissioning of a new logistics hall, which makes the flow of materials considerably more efficient, and the gradual start of fuel pump and water pump assembly. This insourcing project improves supply capability, cuts costs, and offers closer proximity to assembly sites. The relocation of production from the previous supplier in Romania was successfully completed within a short timeframe.

The **Ulm** production site expanded its capacity and production infrastructure for its battery assembly activities in 2025. A key driver here was the production of the first battery variants for the DEUTZ subsidiary UMS. The Ulm employees were given training on these new products on site at UMS in the Netherlands. The Ulm site is thus increasingly focusing on assembling high-voltage batteries in addition to the production of new engines and Xchange engines.⁴⁹

At the **Zafra** plant in Spain, capital expenditure on a number of automation projects relating to cylinder heads, engine blocks, and transmissions notably helped to optimize staff costs. In order to reduce both logistics costs and emissions resulting from daily trips from external warehouses, construction work began in 2025 on a new logistics hall that is situated directly next to the existing production site.

The US plant in **Pendergrass** also implemented initiatives to secure its long-term competitiveness. Value-added and Xchange production were restructured in separate, dedicated business units, within which all logistics and production activities were integrated at the same time. This initiative optimized processes and simplified the flow of materials. The plant overcame challenges in the supply chain as a result of increased tariffs on incoming goods and continued to implement cost-cutting measures. New DEUTZ Power Centers were opened in Houston and Atlanta while the sites in South Florida and Rock Hill were expanded.

The DEUTZ subsidiary **SOBEK** significantly expanded its technical infrastructure and production and assembly capacities for drive systems, particularly for drone applications. It also added highly qualified specialists to its staff. In the motor sports business and other areas of application, SOBEK enhanced its development and production capabilities and increased its vertical integration.

At **HJS Emission Technology**, which has its main site in Menden, operations in the first year following its integration into the DEUTZ Group were dominated by an extensive relocation project that will see HJS Emission Technology become a key intragroup supplier of exhaust aftertreatment systems for DEUTZ engines. With this in mind, production of components and systems for exhaust aftertreatment were shifted to HJS Emission Technology from an external DEUTZ supplier. The project was successfully completed in 2025. Full ramp-up is anticipated by the end of the first quarter of 2026.

⁴⁹ Xchange engines and parts are professionally reconditioned products that represent a quick, economic, and eco-friendly alternative to purchasing a new product. Xchange engines and parts have to meet the same quality standards as apply to the manufacturing of new ones.

In its first full year as part of the DEUTZ Group, **Blue Star Power Systems** substantially expanded its capacity through new and innovative production processes. Thanks to optimized workflows, an increase in efficiency was achieved and supply times for customers were shortened. Management capacities were further extended, primarily through internal training measures.

Purchasing and procurement

The DEUTZ Group maintains business relationships with over 5,000 suppliers in more than 50 countries. With a total purchasing volume of around €1.4 billion worldwide, the Company's supply chain makes a significant contribution to its value creation process.

While procurement had been dominated by the impacts of the ongoing war in Ukraine on the global flow of goods in 2024, it faced further challenges and geopolitical events in 2025 such as trade conflicts and the related tariff uncertainties, and occasional market shortages due to the semiconductor crisis and a lack of rare earths, for example.

In 2025, DEUTZ continued to pursue a market-oriented pricing policy as part of its purchasing strategy. Its groupwide system of category management in purchasing was further refined in order to effectively respond to the ongoing geopolitical challenges and shifts in the market environment. DEUTZ also stepped up its sourcing of parts from best-cost countries in order to mitigate rising procurement costs. Make-or-buy decisions, the implementation of dual-sourcing strategies for key component groups, and M&A activities also help to achieve more stability in terms of prices and/or supply for critical items. One example is the acquisition in January 2025 of a stake in HJS Emission Technology, an exhaust aftertreatment specialist. DEUTZ now sources the bulk of the exhaust aftertreatment components and systems for selected engine series from HJS Emission Technology and thus from within the Group.

Supplier risk management In order to identify potential risks in the supply chain – both in terms of supplier risk and compliance risk – at an early stage, Purchasing uses a digital information tool to continuously monitor all production component suppliers and suppliers of non-production items. Monitoring on the basis of the specified indicators enables Purchasing to proactively take risk-mitigating measures where required, to ensure a reliable supply.

DEUTZ systematically manages its suppliers using a supplier cockpit with which it monitors the performance of key suppliers, especially from the perspective of the quality of the supplied components, lead times, availability, and commercial conditions as well as sustainability aspects. The DEUTZ code of conduct for suppliers (Supplier Code) is a key instrument in the Company's efforts to communicate sustainability aspects to its supply chain. The code sets out mandatory groupwide requirements, for example with regard to ensuring compliance with occupational health and safety standards and environmental standards as well as respecting human rights. In order to ensure and track the effectiveness of the Supplier Code to the greatest possible extent, DEUTZ conducts site audits⁵⁰ of both existing and new suppliers to assess their compliance with the requirements set out in the code.

Suspected violations of the Supplier Code can be reported at any time, for example via a whistleblowing system that is accessible to the public on our website.

Furthermore, DEUTZ uses a number of tools including EcoVadis, a web-based assessment platform for global supply chains, in order to gain a rounded picture of the sustainability performance of its biggest suppliers by revenue. Assessment criteria cover environmental aspects, ethics, labor rights, human rights, and sustainable procurement. DEUTZ works with suppliers to plan and deliver improvements and remedial action based on the findings of the assessment.

DEUTZ has also established a business partner compliance tool through which business partners are checked regarding any potential misconduct, e.g. in connection with money laundering, unfair competitive practices, or corruption and/or bribery, while the beneficial owners and the members of the management and supervisory bodies are checked against the latest sanction lists. On the basis of the information obtained, the business partners are classified using an internal DEUTZ risk model and, if required, action is taken to minimize risks.

⁵⁰ Verification of whether processes conform to guidelines and/or meet the requirements of certain standards, where the auditor is on site and therefore has personal access to the source of information.

Materials compliance DEUTZ purchases components and raw materials for use in engine production that contain an extensive range of compounds, substances, and minerals. As a result, it is subject to international regulations including the regulation pertaining to the registration, evaluation, authorization, and restriction of chemicals (REACH), the directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS), and provisions governing the use of conflict minerals.⁵¹

The Materials Compliance function is tasked with ensuring compliance with the aforementioned regulations. Its main responsibilities include continually monitoring developments at regulatory and policy level and determining whether the products manufactured by the Company fulfill the criteria of all the many environmental laws and regulations. The function is also responsible for optimizing processes with regard to the materials and substances that are used. This includes introducing conformity checks in the product development process and in the purchased parts approval process. To achieve these aims, Materials Compliance works closely with Component Purchasing for Series Production and the Supplier Quality department and stipulates the criteria for the selection of production component suppliers with regard to materials compliance.

As it does not purchase any minerals directly, DEUTZ has to work in conjunction with its business partners in order to fulfill its responsibility in this respect. In order to avoid minerals from conflict-affected and high-risk areas in the value chain and to counteract illegal or unethical procurement practices, DEUTZ has put in place a corporate policy on conflict minerals as a supplement to the Supplier Code. The policy was revised in 2025. Among other sources, this policy reflects the OECD Due Diligence Guidance⁵² for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and is a mandatory part of all new supplier contracts. Regular surveys on the use of conflict minerals are conducted using the Conflict Minerals Reporting Template in order to ensure compliance with the guidance as rigorously as possible.

Employees⁵³

Overview of the DEUTZ Group's workforce⁵⁴

FTEs	Dec. 31, 2025	Dec. 31, 2024
DEUTZ Group	5,712	5,228
thereof		
In Germany	3,541	3,318
Outside Germany	2,171	1,910
thereof		
Non-salaried employees	2,700	2,559
Salaried employees	2,871	2,561
Trainees	141	108

DEUTZ employed 5,712 people worldwide as at December 31, 2025, which was 484 people (i.e. 9.3%) more than a year earlier. This increase was largely a result of structural growth following a number of M&A transactions. Excluding the additions to the basis of consolidation, there would have been around 5,200 employees.

At 62.0%, the bulk of the Group's workforce continued to be based in Germany. Of the 3,541 employees in Germany, 2,564 worked at the Company's headquarters in Cologne. The slight increase in headcount in Germany was predominantly due to around 380 employees being taken on as part of the acquisitions of HJS Emission Technology and SOBEK. This outweighed the job cuts in connection with the Future Fit cost-cutting program. By December 31, 2025, a total of 203 employees had left the Company under the voluntary redundancy scheme of the Future Fit program. The rise in headcount outside Germany was mainly attributable to mergers and acquisitions too.

The number of temporary workers rose compared with the very low level in the previous year (which had been due to a relatively low production volume), increasing from 43 as at December 31, 2024 to 205 as at December 31, 2025. This means that temporary workers made up 3.6% of the total workforce, compared with 0.8% a year earlier.

⁵¹ Conflict minerals are minerals or similar natural resources that are extracted in a part of the world afflicted by armed conflicts and that are sold in order to fund these conflicts.

⁵² The guidelines of the Organisation for Economic Co-operation and Development (OECD) are an international instrument for promoting responsible business conduct. They contain principles and standards in the areas of human rights, social responsibilities, environment, combating of corruption, taxation, consumer interests, information disclosure, research, and competition. The guidelines constitute non-binding recommendations from the OECD member states to multinational enterprises.

⁵³ Figures for the number of employees and temporary workers in this section are expressed as FTEs (full-time equivalents).

⁵⁴ Employees of continuing operations; excluding temporary workers.

Macroeconomic and industry-specific environment

Economic environment

GDP growth⁵⁵

YoY change (%)	2025	2024
Global	3.3	3.3
Industrialized countries ⁵⁶	1.7	1.8
Eurozone	1.4	0.9
Germany	0.2	-0.5
USA	2.1	2.8
Emerging markets ⁵⁷	4.4	4.3
China	5.0	5.0

Economic growth In January 2026⁵⁸, the International Monetary Fund (IMF) estimated that global gross domestic product (GDP) rose by 3.3% in 2025, on a par with 2024. The global economy was forced to adapt to political challenges in 2025, in particular the high tariffs on numerous trading partners announced by the US administration. Although some of the threatened tariffs were subsequently reduced significantly through trade deals, they still helped to create a highly volatile economic environment. While the first half of the year benefited from spending brought forward in anticipation of the impending tariffs, these effects diminished over the course of the remaining year. According to the IMF figures, the rate of growth for the advanced economies fell slightly in 2025, to 1.7% (2024: 1.8%), with the USA once again achieving the second highest rate within this group of countries after Spain, despite a marked slowdown to 2.1% (2024: 2.8%). Overall, growth in the eurozone is estimated to have been 1.4% (2024: 0.9%), a somewhat sluggish recovery. Germany emerged from two years of recession with slight growth of 0.2% (2024: -0.5%). The structurally faster growing emerging markets increased their economic output by 4.4% (2024: 4.3%) overall. Among them, India, with a growth rate of 7.3% (2024: 6.3%), pulled even further ahead of China, which remained stable at 5.0%, but continued to experience problems in its real estate sector and with excess industrial capacity.

Inflation According to the IMF, global inflation stabilized at a lower level in 2025, compared to the very high rates seen in previous years, particularly in 2022 and 2023 due to the inflationary effects resulting from the coronavirus pandemic and the war in Ukraine. The industrialized countries are expected to see inflation rates of 2.3% in 2025, down from 2.4% in 2024, while the emerging markets are anticipated to remain stable at 3.7%. One contributory factor was US tariff policy, which tended to cause prices to rise in the USA, while in other

markets the greater supply of goods due to diverted global trade flows had the effect of lowering prices.⁵⁹

Procurement market

Geopolitical environment Ongoing geopolitical uncertainties, for example resulting from conflicts in the Middle East and the continued war in Ukraine, weighed heavily on the procurement market in 2025, as did global trade and tariff disputes. The supply situation was very difficult at times, particularly with regard to rare earths. A very prominent example that further affected the supply situation arose in the semiconductor industry in the second half of 2025, when deliveries of Nexperia chips were halted.

In the cast metal sector, the European procurement market came under yet more pressure due, in part, to weak market demand. But there was also an impact from decarbonization efforts, high investment costs, and comparatively high energy prices⁶⁰ on the back of political initiatives aimed at facilitating the transition to renewable energy and carbon neutrality, especially in connection with the use of »green steel«.

Supply situation and risks The threat of supply shortages generally remained elevated in 2025. The lackluster global market environment meant that the number of insolvencies among suppliers persisted at a relatively high level. This particularly affected energy-intensive industries, such as the European foundry sector.

Across the economy, there were shortages of supplies of raw materials. This was the case for platinum, palladium and, in particular, materials such as tungsten that faced considerable upward price pressure due to rising demand from the defense industry.

Energy prices⁶¹ In 2025, the energy market normalized markedly compared with the previous year but remained volatile owing to geopolitical and weather-related factors. Average wholesale prices for electricity and gas were slightly lower than in 2024. This was due to high volumes held in storage facilities, stable imports of liquefied natural gas (LNG), and the further expansion of renewable energy capacity. Moreover, weaker demand from industry and more moderate carbon prices eased the pressure on futures markets. Nonetheless, price structures remained sensitive to geopolitical developments and regulatory decisions.

⁵⁵ IWF: World Economic Outlook Update, January 2026.

⁵⁶ USA, Germany, France, Italy, Spain, Japan, the United Kingdom, Canada, and other developed economies.

⁵⁷ China, India, Russia, Brazil, Mexico, Saudi Arabia, Nigeria, South Africa.

⁵⁸ IWF: World Economic Outlook Update, January 2026.

⁵⁹ IWF: World Economic Outlook Update, January 2026.

⁶⁰ Association of German Chambers of Industry and Commerce (DIHK): <https://www.dihk.de/de/newsroom/dekarbonisierung-und-wettbewerbsfaehigkeit-wie-beides-zusammengelingt-157574>.

⁶¹ European Energy Exchange (EEX) futures market energy prices (NUS Consulting market analysis).

Material and commodity prices Prices for platinum and palladium rose sharply in 2025.⁶² Raw materials used in the defense industry, such as tungsten, also saw significant price increases.

The price of foundry scrap fell by 11.3% year on year, while the price of wrought iron scrap dropped by 12.7%.⁶³ Nickel was down by 13.0% at the end of the year.⁶⁴ By contrast, prices for aluminum and copper edged up by 3.8% and 2.7% respectively.

Transportation market⁶⁵ In 2025, cost levels in national and international overland transportation essentially held steady year on year. The sea freight situation on routes to and from Asia eased compared with 2024. In the third quarter of 2025, however, prices briefly spiked on routes to Asia, partly because of US tariff policy. Prices on routes to the USA remained stable on average.

Supplier relationships and production capacity utilization In light of the market environment described above, many suppliers put up their prices significantly. At the same time, they often faced reduced capacity utilization in their production operations as a result of the general economic situation. Amid ongoing market instability, automotive companies and their component suppliers were particularly exposed to the considerable pressure created by declining demand for applications with internal combustion engines.

Industry-specific environment

Engines market Based on currently available figures, the individual off-highway markets served by DEUTZ – for construction equipment, material handling equipment, and agricultural machinery – presented a mixed picture in terms of their performance in 2025.

In the construction equipment business, growth impetus failed to materialize in Europe despite infrastructure programs initiated by the European Commission, and 2025 therefore ultimately ended with zero growth. In North America, the imposition of tariffs triggered some uncertainty and weighed heavily on the investment climate, leading to declining revenue for US manufacturers of construction equipment. In China, by contrast, the market appears to have grown year on year, although unit sales are much lower than the levels seen

previously. Chinese industry continues to be marked by excess capacity and a dearth of infrastructure projects.⁶⁶

Demand for diesel-powered material handling equipment was down in all regions in 2025. This industry segment has been facing a persistent trend toward electrification for some time now, which is having a negative impact on unit sales for diesel-powered equipment. In the forklift truck product segment, unit sales fell continuously over the course of the year in line with weakening economic data around the world.⁶⁷ Unit sales also declined in the lifting platform and telehandler segments, in part because most major leasing companies in the US and Europe once again cut investment in their fleets compared with the prior year.⁶⁸

In the agricultural machinery business, it appears that the significant inventories built up by dealers in the years following the coronavirus pandemic have not yet been fully used up. Consequently, manufacturers in Europe and North America again registered falls in both new orders and unit sales in 2025.⁶⁹ In China, meanwhile, the transition in the agricultural sector to more powerful tractors and the CN4 emissions standard continues to be pursued rigorously while also being subsidized, which has contributed to growth in unit sales.⁷⁰

Energy market The market for diesel-powered generator systems registered growth across nearly all regions in 2025, with growth rates in the upper single-digit percentage range. On a global level, this was due to three growth drivers: the general increase in demand for electrical energy,⁷¹ the growing number of data centers and the emergency power generators required to ensure their operational continuity,⁷² and the rising demand for emergency power generators as a result of increasing natural disasters, which frequently entail a loss of rural power supply.⁷³ In terms of the size categories, the most growth was seen in large gensets with an output of more than 750 kilovolt-amperes (kVa), which are used by data centers and in commercial real estate.

⁶² <https://matthey.com/products-and-markets/pgms-and-circularity/pgm-management/>.

⁶³ www.bdsv.org/ & www.bdg.org.

⁶⁴ www.lme.com.

⁶⁵ DREWRY index/Xeneta index.

⁶⁶ VDMA „Construction equipment and building material machinery“, Februar 2026.

⁶⁷ Power Systems Research, OE Link Update Bulletin – Q4 2025, January 2026.

⁶⁸ Quarterly reports of major leasing companies such as United Rentals, Ashtead, and Loxam.

⁶⁹ VDMA, Geschäftsklima und Marktentwicklung weltweit, February 2026.

⁷⁰ Power Systems Research, OE Link Update Bulletin – Q4 2025, January 2026.

⁷¹ IEA, World Energy Outlook, 2025.

⁷² JLL, Global Data Center Outlook, 2025.

⁷³ MunichRe, NatCatSERVICE Database, 2025.

Besides the aforementioned factors, the increasing obsolescence of electricity grids in economically advanced regions is creating growing demand for emergency power generators – particularly among commercial users.⁷⁴ Against the backdrop of a still ailing economy, generators with an output of less than 375 kVa are seeing a fall in demand. These generators are primarily used in construction, in agriculture, and for domestic use. As a result of Russia's war in Ukraine, eastern Europe was the only region to see a contraction across all power outputs in 2025.

In developing countries and emerging markets, two further factors in addition to the overarching growth drivers led to above-average market growth. Firstly, new infrastructure cannot cater quickly enough to the rising demand for electricity, making it necessary to deploy diesel electricity generators as a primary source. Secondly, the rapid expansion of telecommunications networks where there is no power supply from the grid⁷⁵ is creating growth in the market for small to medium-sized units (in terms of kVa).⁷⁶

NewTech market The global market for battery-electric drive systems was mostly buoyant in 2025, although such drives continue to account for a low share of the overall off-highway market. The worldwide focus on economic growth rather than the environment is delaying the leap to volume production for pilot projects in almost all regions and segments. Conversely, there are signs of increasing market penetration for applications where the total lifetime cost is competitive compared with diesel technology. This trend is supported by the falling cost of batteries thanks to excess capacity in the market. On the flip side, the relative cost-savings from refueling with electrical energy compared with fossil fuels are diminishing.⁷⁷ As is the case in the passenger car market, the off-highway segment is dominated by China, which has a market share of more than 75% – driven in large part by the availability of raw materials and by supply chains.

In the construction equipment segment, a split in the market began to emerge over the course of the year. For smaller applications of up to 10 tonnes, especially wheel loaders, battery-electric drives are financially competitive, leading to some initial market penetration. Larger applications of more than 20 tonnes continue to pose technical challenges in terms of battery capacity.⁷⁸

The penetration of BEVs⁷⁹ is the furthest advanced in the material handling segment and this trend continued in 2025. This is due to their commercial competitiveness, improved integration in terms of infrastructure in the area of deployment, and more even load peaks. The Chinese market spearheaded this segment too in 2025 with a market share of more than 85%.

The market segment for agricultural machinery grew modestly in 2025, led first and foremost by the Chinese market for smaller applications such as tractors. There are growing areas of application in operations away from the field, such as in farm loaders. All in all, however, technological hurdles remain for companies looking to penetrate the mass market, especially in large agricultural machinery. The latter requires very high load peaks and long run times during harvest season in areas which often have limited infrastructure.⁸⁰

Defense market In 2025, defense was a rapidly changing industry in Europe and North America, marked by concerted efforts to modernize and strategically realign. Geopolitical tensions and political shifts led to a greater willingness to invest and take action in many regions. Europe led the field in this regard, with European market players making strategic purchases and consolidation moves, demonstrating greater growth impetus than some of their north American competitors.⁸¹ At the same time, reliance on certain key capacities and practical obstacles to the rapid expansion of production remain, meaning that technological upgrades and changes to production can only be achieved through coordinated measures and targeted assistance. Unmanned systems, ammunition solutions, and air defense solutions are becoming more of a priority, accompanied by a broader trend toward data-driven end-to-end systems and toward the mitigation of hybrid risks. This supports a picture of a market experiencing ongoing momentum, albeit with implementation risks.⁸²

⁷⁴ ENTSOG, Winter Supply Outlook, 2024/2025.

⁷⁵ GSMA, The Mobile Economy, 2025.

⁷⁶ PowerGen Statistics, Diesel Generator Market, 2025.

⁷⁷ BloombergNEF, Electric Vehicle Outlook, 2025.

⁷⁸ Off-Highway Research, Global Electric Construction Equipment Industry, 2025.

⁷⁹ Battery-electric vehicle.

⁸⁰ Martec GmbH, DEUTZ Technology Landscape Study, 2025.

⁸¹ EY Partenon & Deka, Der Weg zur europäischen Souveränität: Verteidigung, 2025.

⁸² Rothschild & Co Redburn, Drone Primer, 2026.

Business performance in the DEUTZ Group

DEUTZ continually analyzes its existing portfolio of business activities, investments, products, and services in order to ensure that it is properly prepared for the future. In this context, DEUTZ completed the sale of Torqeedo, its subsidiary specializing in electric boat drives, at the start of April 2024. In 2024, the activities of the Torqeedo Group had, in accordance with IFRS 5, been reported as discontinued operations up to the point of deconsolidation at the start of April 2024. The comparative figures presented below for the prior-year period are for continuing operations.

To boost resilience within the supply chain for efficient internal combustion engines, DEUTZ acquired a 50% stake in HJS Emission Technology, an exhaust aftertreatment specialist, at the start of January 2025.⁸³ The fully consolidated new orders and revenue of HJS Emission Technology are included in the figures for the Construction Equipment and Miscellaneous application segments in the DEUTZ Engines & Services segment.

At the start of June 2025, DEUTZ acquired all the shares in UMS Holding (UMS), a specialist in the electrification of off-highway and defense vehicles.⁸⁴ UMS was consolidated – from the date the acquisition was completed on June 2, 2025 – in the NewTech business unit of the DEUTZ Solutions segment.

As part of its portfolio expansion, DEUTZ also acquired all the shares in SOBEK Group GmbH (SOBEK) in early September 2025.⁸⁵ SOBEK is a leading manufacturer of powerful electric drives for a number of specialized high-tech applications, such as military drones, motorsports, healthcare technology, and aerospace. The new orders and revenue of SOBEK are included in the figures for the Miscellaneous application segment in the DEUTZ Engines & Services segment.

In the reporting period, DEUTZ increased its stake in the Chinese company DEUTZ Power Solution (DPX) from 40% to 60%. DPX's main area of business is the sale of diesel engines and the manufacture and sale of gensets. Its business activities come under the Energy business unit in the DEUTZ Solutions segment and are currently assigned to the Stationary Equipment application segment at group level.

At the start of October, DEUTZ also acquired all of the shares in its former service partner Catalkaya Makina Sanayi ve Ticaret Limited Şirketi (now: DEUTZ Turkey). The acquiree's business activities were consolidated in the DEUTZ Engines & Services segment.

Furthermore, DEUTZ acquired its former service partner OnSite Diesel through its US subsidiary DEUTZ Corporation as part of an asset deal at the start of October. It also acquired all of the shares in Nevada-based Double Down Heavy Repair at the start of November. Both companies specialize in maintenance and repair services for heavy machinery, such as mining equipment, trucks, and rail vehicles. Their service activities are grouped in the DEUTZ Engines & Services segment.

Note: As a result of the transformation of the portfolio, it is no longer meaningful to report unit sales. Consequently, we stopped making disclosures on unit sales when we published the statement for the first to third quarter of 2025.

New orders

DEUTZ Group: New orders

€ million



New orders received by the DEUTZ Group in 2025 amounted to €2,077.7 million, which was 13.7% higher than in the prior year. This significant increase was primarily attributable to the expansion of the business portfolio as a result of the M&A transactions carried out in the reporting period. [See also 'Business performance in the segments' p. 59.](#) These M&A transactions together contributed around €100 million to the increase in new orders. The partnerships entered into and the acquisitions made in 2024 also had a positive impact on new orders, making a material contribution to the expansion of the service business too.

⁸³ See the press release dated December 9, 2024.
⁸⁴ See the press release dated April 6, 2025.
⁸⁵ See the press releases dated September 2, 2025.

DEUTZ Group: New orders by application segment

€ million	2025	2024	Change
Service	559.1	515.5	8.5%
Construction Equipment	525.2	345.4	52.1%
Material Handling	439.7	425.7	3.3%
Stationary Equipment	232.3	244.5	-5.0%
Agricultural Machinery	208.3	200.0	4.2%
Miscellaneous	113.1	96.0	17.8%
Total	2,077.7	1,827.1	13.7%

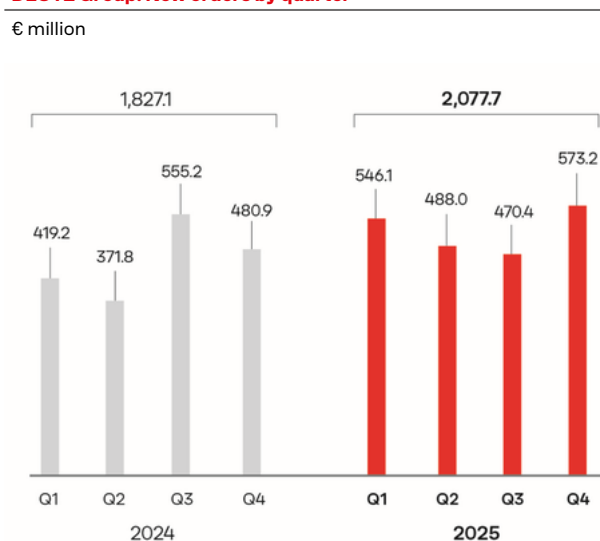
DEUTZ Group: New orders by region

€ million	2025	2024	Change
EMEA	1,246.4	1,046.1	19.1%
Americas	564.3	581.9	-3.0%
Asia-Pacific	150.3	111.0	35.4%
China	116.7	88.1	32.5%
Total	2,077.7	1,827.1	13.7%

At the level of application segments, the reporting period presented a mixed picture. In Stationary Equipment, the year-on-year decline in new orders was mainly due to the fact that the prior-year figure had been very positively influenced by acquisition effects. By contrast, the Construction Equipment and Miscellaneous application segments recorded a considerable increase in new orders. Aside from initial signs of a market recovery, the rise in new orders in Construction Equipment primarily stemmed from the acquired business of HJS Emission Technology and from the business with Daimler Truck industrial engines. In the Service application segment, DEUTZ also saw a substantial rise in new orders across the entire service portfolio.

The regional breakdown of new orders shows that, in absolute figures, the increase was essentially attributable to the EMEA region⁸⁶ and to the Construction Equipment application segment in Germany in particular. In addition to a modest market recovery and growth in new orders for Daimler Truck industrial engines, the rise in new orders was mainly thanks to the acquired HJS business, which contributed a figure in the mid-double-digit millions of euros. The rise in new orders in the Asia-Pacific region and in China is also largely due to heightened demand for engines in Construction Equipment and to DPX's business.

The slight decline in new orders in the Americas was primarily due to a year-on-year fall in demand from a customer in the Material Handling application segment.

DEUTZ Group: New orders by quarter

DEUTZ Group: New orders by application segment

€ million	Q4 2025	Q4 2024	Change
Construction Equipment	155.9	84.5	84.5%
Service	141.6	132.2	7.1%
Material Handling	116.3	108.0	7.7%
Stationary Equipment	78.9	63.4	24.4%
Agricultural Machinery	59.8	56.1	6.6%
Miscellaneous	20.7	36.7	-43.6%
Total	573.2	480.9	19.2%

DEUTZ Group: New orders by region

€ million	Q4 2025	Q4 2024	Change
EMEA	325.9	264.5	23.2%
Americas	149.5	159.7	-6.4%
Asia-Pacific	51.5	34.0	51.5%
China	46.3	22.7	104.0%
Total	573.2	480.9	19.2%

In the fourth quarter of 2025, DEUTZ's new orders rose significantly compared with the corresponding period of 2024, rising by 19.2% to reach €573.2 million. Virtually all regions and all application segments contributed to this growth, albeit with differing intensities. In line with the overall trend in new orders for 2025 as a whole, the Construction Equipment application segment saw its new orders almost double in the reporting period. This was due to a number of factors, including the acquired HJS business. The growth in new orders in service business was mainly due to the expansion of on-site customer service business by DEUTZ's US subsidiary DEUTZ Corporation and to this subsidiary's former service partners OnSite Diesel and Double Down Heavy Repair (which it acquired in the fourth quarter). The latter two companies specialize in maintenance and repair services for heavy machinery – such as mining equipment, trucks, and rail vehicles. Through them, DEUTZ expanded the scope of its

⁸⁶ Europe, Middle East, and Africa.

service business to include the machinery in which engines are installed. New orders in the Stationary Equipment application segment picked up considerably in the fourth quarter compared with the same quarter of 2024 as a result of increased demand for Blue Star Power Systems gensets.

At the level of the regions, DEUTZ recorded its largest rise in new orders (in absolute terms) in its largest sales market, the EMEA region. In addition to the aforementioned defense order, this was notably due to modest signs of a market recovery in Europe and to the HJS business. In the Asia-Pacific region, DEUTZ registered growth in new orders across nearly all application segments, with demand for engines for construction equipment and for stationary equipment rising the sharpest. The strong growth in orders in China was due to demand for construction equipment engines having more than quadrupled and to the DPX business having been consolidated. By contrast, new orders in the Americas were lower than in the same quarter of the prior year as a result of lower demand from a major customer in the Material Handling application segment.

Orders on hand totaled €497.7 million as at December 31, 2025 (December 31, 2024: €463.9 million), of which €46.5 million was attributable to the Service application segment (December 31, 2024: €44.1 million).

Revenue

DEUTZ Group: Revenue

€ million

2025	2,043.8	<div style="width: 100%; height: 10px; background-color: #c00000;"></div>
2024	1,813.7	<div style="width: 88%; height: 10px; background-color: #a0a0a0;"></div>

Consolidated revenue advanced significantly in the reporting period, up by 12.7% to €2,043.8 million. It was thus on a par with the most recent forecast of €2.1 billion.⁸⁷ Within this figure, revenue from business involving larger Daimler Truck industrial engines and the expansion of service business and the DEUTZ Energy business unit more than compensated for the decline in revenue caused by the economic headwinds. This decline in revenue particularly related to sub-4 liter engines. [See also](#) 'Business performance in the segments' p. 59. The acquisitions made in 2025 together contributed revenue growth in the high double-digit millions of euros, with just over half coming from the HJS business.

⁸⁷ See the press release dated November 6, 2025.

DEUTZ Group: Revenue by application segment

€ million

	2025	2024	Change
Service	556.7	511.6	8.8%
Construction Equipment	462.6	407.1	13.6%
Material Handling	445.8	457.3	-2.5%
Stationary Equipment	257.0	167.3	53.6%
Agricultural Machinery	216.7	197.6	9.7%
Miscellaneous	105.0	72.8	44.2%
Total	2,043.8	1,813.7	12.7%

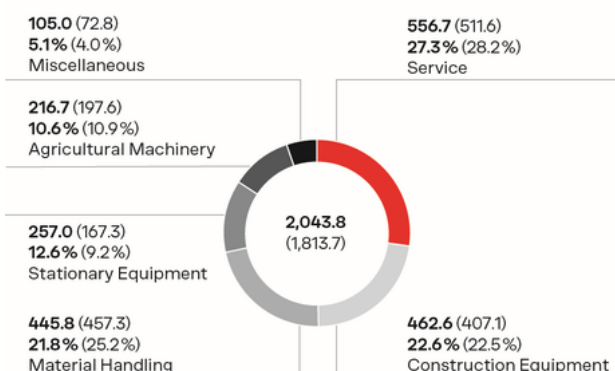
DEUTZ Group: Revenue by region

€ million

	2025	2024	Change
EMEA	1,214.9	1,042.9	16.5%
Americas	579.0	527.0	9.9%
Asia-Pacific	138.2	134.3	2.9%
China	111.7	109.5	2.0%
Total	2,043.8	1,813.7	12.7%

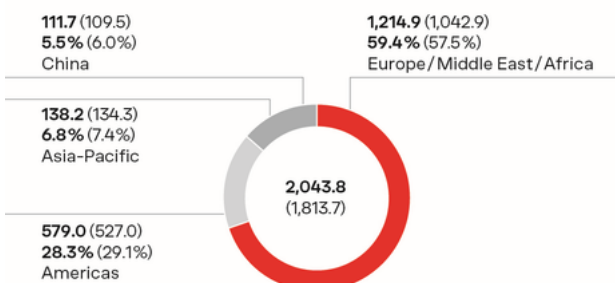
DEUTZ Group: Revenue and proportion of revenue by application segment

€ million unless indicated otherwise (2024 figures in parenthesis)



DEUTZ Group: Revenue and proportion of revenue by region

€ million unless indicated otherwise (2024 figures in parenthesis)



At the level of the application segments, a decline in revenue in Material Handling was easily offset by revenue growth in other application segments. With a revenue increase of 8.8% to €556.7 million, the Service application segment continued to expand. This strategically important and less cyclical business remained the Company's biggest application segment. This growth was chiefly driven by the service activities taken over from Rolls-Royce Power Systems, the considerable stepping up of parts sales in EMEA by DEUTZ Polska, and the expansion of the Xchange and on-site customer service business in the USA. The increase in revenue in the Construction Equipment application segment was mainly attributable to the HJS business, which was acquired in 2025, and to higher revenue from Daimler Truck industrial engines. The latter also drove growth in the Agricultural Machinery application segment. Revenue growth in Stationary Equipment was almost exclusively attributable to DEUTZ subsidiary Blue Star Power Systems' genset business. The exceptional revenue growth in the Miscellaneous application segment meanwhile was due to new customer business with companies that produce special applications. The decline in revenue in the Material Handling application segment is attributable to lower unit sales across all regions, although the bulk of the revenue slump was reported in the Americas.

Regardless of the mixed revenue performance across regions at the level of the application segments, total revenue was up in all regions, with the EMEA region – and especially Germany – delivering the highest contribution to growth. This growth was primarily thanks to the contribution to revenue from HJS and the business with Daimler Truck industrial engines. In the Americas, DEUTZ recorded an increase in revenue on the back of the expansion of Blue Star Power Systems' genset business.

DEUTZ Group: Revenue by application segment

€ million

	Q4 2025	Q4 2024	Change
Construction Equipment	122.7	98.7	24.3%
Material Handling	117.6	108.6	8.3%
Agricultural Machinery	55.5	63.4	-12.5%
Stationary Equipment	75.4	69.5	8.5%
Service	140.9	132.2	6.6%
Miscellaneous	31.3	35.4	-11.6%
Total	543.4	507.8	7.0%

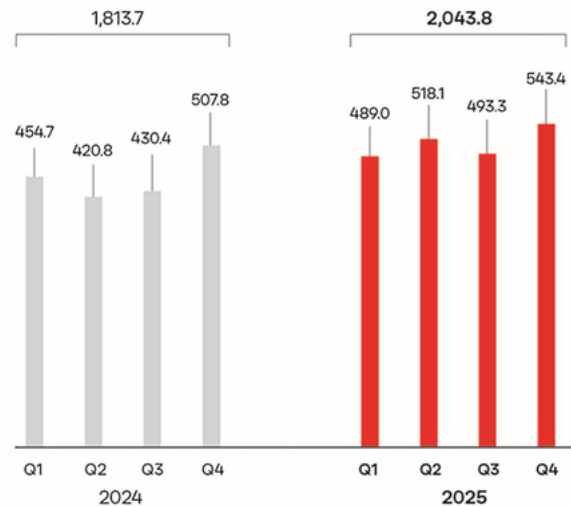
DEUTZ Group: Revenue by region

€ million

	Q4 2025	Q4 2024	Change
EMEA	323.4	298.2	8.5%
Americas	142.0	151.3	-6.1%
Asia-Pacific	33.7	27.7	21.7%
China	44.3	30.6	44.8%
Total	543.4	507.8	7.0%

DEUTZ Group: Revenue by quarter

€ million



Consolidated revenue amounted to €543.4 million in the fourth quarter of 2025, which was 7.0% more than in the corresponding period of 2024. All regions contributed to this positive result, with the exception of the Americas. In line with the overall revenue trend for 2025 as a whole, the EMEA region – led by Europe – was the key driver of growth in absolute terms. Revenue in China picked up significantly in the fourth quarter, which was due to increased revenue in the Construction Equipment application segment and the Service application segment as well as to the consolidation of DPX. At application segment level, Construction Equipment contributed more than half of the growth in revenue. The considerable decline in revenue in Agricultural Machinery is mainly due to lower demand from a major German customer.

Earnings

DEUTZ Group: Overview of results of operations⁸⁸

€ million	2025	2024	Change
Revenue	2,043.8	1,813.7	12.7%
Cost of sales	-1,604.4	-1,412.9	13.6%
Research and development costs	-94.1	-100.4	-6.3%
Selling and administrative expenses	-298.9	-254.7	17.4%
Other operating income	51.2	24.7	107.3%
Other operating expenses	-25.3	-29.6	-14.5%
Impairment of financial assets and reversals thereof	-2.0	-0.2	900.0%
Profit/loss on equity-accounted investments	3.3	0.9	266.7%
Other net investment income	0.3	0.4	-25.0%
EBIT	73.9	41.9	76.4%
Interest income	1.0	2.4	-58.3%
Interest expense	-20.2	-20.9	-3.3%
Other financial income/finance cost	0.0	1.3	-
Financial income, net	-19.2	-17.2	-11.6%
Income taxes	-0.6	17.3	-
Net income continuing operations	54.1	42.0	28.8%
Net income discontinued operations	0.0	9.8	-
Net income	54.1	51.8	4.4%
Adjusted EBIT – Engines & Service (EBIT before exceptional items)	130.0	103.2	26.0%
Adjusted EBIT – Solutions (EBIT before exceptional items)	-18.9	-25.4	25.6%
Consolidation/ Other ⁸⁹	1.2	-1.1	-
Adjusted EBIT (EBIT before exceptional items)	112.3	76.7	46.4%
Exceptional items	-38.4	-34.8	10.3%
EBIT	73.9	41.9	76.4%

DEUTZ Group: Key figures for the entire Group⁹⁰

€ million	2025	2024	Change
Revenue	2,043.8	1,821.3	12.2%
EBIT	73.9	51.2	44.3%
Net income	54.1	51.8	4.4%
Adjusted EBIT – DEUTZ Solutions (EBIT before exceptional items)	-18.9	-25.4	25.6%
Adjusted EBIT – DEUTZ Engines & Services (EBIT before exceptional items)	130.0	103.2	26.0%
Consolidation/Other	1.2	-1.1	-
Adjusted EBIT (EBIT before exceptional items)	112.3	76.7	46.4%
Exceptional items	-38.4	-25.5	50.6%
EBIT	73.9	51.2	44.3%

DEUTZ Group: Adjusted EBIT and EBIT margin (before exceptional items)

€ million (EBIT margin, %)

2025	112.3 (5.5%)	
2024	76.7 (4.2%)	

In the second half of 2024, DEUTZ launched a focused restructuring program, Future Fit, in order to raise its long-term competitiveness and mitigate the economically challenging market conditions. Future Fit incorporates a voluntary redundancy program for the Cologne site focusing on the Research & Development, Central Sales, Central Services, and Supply Chain Management functions. The program is aimed at significantly reducing the Company's structural costs in order to permanently lower the cost base by €50 million by the end of 2026. More than 50% of the projected cost savings were achieved in 2025.

Adjusted EBIT DEUTZ generated adjusted EBIT (EBIT before exceptional items) of €112.3 million in 2025, a rise of €35.6 million compared with the prior-year figure of €76.7 million. The increase is mainly related to the acquisitions and takeovers of the past two years. In particular, the takeover of the sales and service activities for Daimler Truck industrial engines and the acquisition of Blue Star Power Systems in the second half of 2024, as well as the acquisitions made in 2025, had a positive impact on earnings performance. Earnings were also shaped by a positive contribution from the purchase price allocation for an acquisition. By contrast, amortization and depreciation on assets such as customer relationships arising from the purchase price allocations for past acquisitions and

⁸⁸ The key figures reflect continuing operations and do not include the Torqeedo Group's business activities for the financial year 2024.

⁸⁹ »Consolidation/Other« predominantly consists of non-operating centralized activities as well as effects on earnings resulting from the elimination of intragroup transactions between the segments.

⁹⁰ The key figures for the entire DEUTZ Group include continuing operations and discontinued operations (including Torqeedo Group).

takeovers had an adverse impact on earnings. This had also been the case in the prior year.

In 2025, there were exceptional items amounting to an expense of €(38.4) million.

DEUTZ Group: Exceptional items

€ million	2025	2024
Restructuring program	-24.5	-1.9
Costs of strategic projects / acquisitions	-10.5	-18.9
Changes in management	-3.8	-2.5
Other effects	0.4	-11.5
Total	-38.4	-34.8

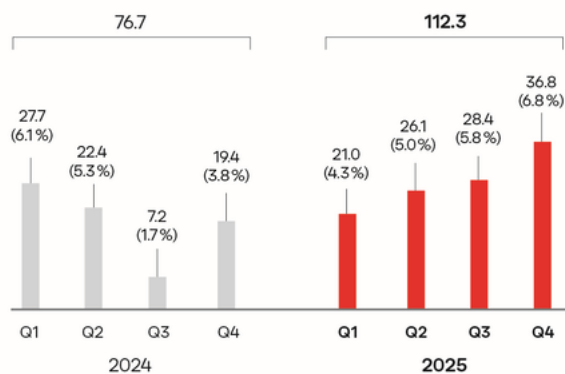
After taking exceptional items into account, EBIT for the year under review stood at €73.9 million (2024: €41.9 million).

The adjusted EBIT margin from continuing operations increased from 4.2 percent in 2024 to 5.5 percent in the reporting year and was thus, as expected,⁹¹ in the middle of the forecast range of 5.0 percent to 6.0 percent.

The return on capital employed⁹² (ROCE before exceptional items) for continuing operations rose from 6.6% in 2024 to 8.3% and was thus in the high single-digit range, as forecast.⁹³

DEUTZ Group: Adjusted EBIT (EBIT before exceptional items) by quarter

€ million (EBIT margin, %)



In the final quarter of 2025, adjusted EBIT improved by €8.4 million compared with the third quarter to €36.8 million. In addition to the positive effect from the Future Fit program, the contribution to earnings from the purchase price allocation for an acquisition also had a favorable impact on adjusted EBIT.

The increase compared with the fourth quarter of 2024 came to €17.4 million. Besides the effects mentioned in the previous paragraph, this increase was attributable to a higher volume of business and a lower level of R&D activity.

Cost of sales The cost of sales rose by 13.6% to €(1,604.4) million in 2025. This was chiefly attributable to the acquisitions and takeovers at the end of 2024 and during 2025. The year-on-year increase chiefly relates to the cost of materials and staff costs. The gross margin,⁹⁴ by contrast, fell slightly. It was down from 22.1 percent in 2024 to 21.5 percent in the reporting year as a result of negative product mix and price effects.

Research and development costs Research and development costs, which mainly comprise staff costs and the cost of materials, amounted to €(94.1) million in 2025 (2024: €(100.4) million). Investment grants received and capitalized development expenditure were deducted from the total. The year-on-year decline of €(6.3) million in research and development costs was largely attributable to positive effects from the Future Fit program and the strict alignment of R&D projects with the needs of the market, which resulted in lower spending, particularly in the NewTech business unit.

Selling and administrative expenses In 2025, selling and administrative expenses rose by a total of €(44.2) million to €(298.9) million. This growth was mainly due to an overall rise in headcount as a result of the initial consolidation of acquisitions in 2025 and the effect across the entire year of the acquisitions in the second half of 2024. Selling and administrative expenses were also pushed up by higher consultancy and integration costs in connection with acquisitions and strategic projects.

Other operating income Other operating income totaled €51.2 million in 2025 and was thus €26.5 million higher than in the prior year. This increase is chiefly attributable to the contribution to earnings from the purchase price allocation for an acquisition. Reductions in provisions, especially the provision for onerous contracts in respect of orders on hand – which was due to improved economies of scale and a positive mix of orders – also contributed to the increase in other operating income.

Other operating expenses Other operating expenses edged down by €(4.3) million to €(25.3) million in 2025. The decrease is primarily attributable to the decline in provisions for onerous contracts in respect of orders on hand. Whereas an allocation had been made to this provision in 2024, a reversal was made in the reporting period.

⁹¹ See the press release dated November 6, 2025.

⁹² Return on capital employed (ROCE): ratio of EBIT before exceptional items to average capital employed. Capital employed: total assets less cash and cash equivalents, trade payables, and other current and non-current liabilities (including income tax liabilities), based on average values from two balance sheet dates.

⁹³ See the business outlook in the 2024 annual report.

⁹⁴ Ratio of revenue less cost of sales to revenue.

Share of profit (loss) of equity-accounted investments

Owing to the positive earnings contribution from the Chinese joint venture Hunan DEUTZ Power Co., Ltd., the share of profit (loss) of equity-accounted investments improved by €2.4 million overall to a profit of €3.3 million in 2025. The joint venture had closed the prior year with a loss.

Financial income, net Net finance costs deteriorated slightly in the reporting year, edging up by €(2.0) million to €(19.2) million.

Income taxes A tax expense totaling €(0.6) million was recognized in 2025. The current tax expense rose by €(2.4) million to €(13.7) million in line with earnings. It was partly offset by deferred tax income of €13.1 million. Due to a significant reduction in the capitalization of tax assets on tax losses carried forward, tax losses carried forward fell by €15.5 million. This was primarily attributable to an improved forecast in the tax planning for the upcoming five-year period.

Earnings per share Net income from continuing operations rose by €12.1 million to €54.1 million in 2025. Earnings per share therefore increased from €0.32 in 2024 to €0.37 in the reporting year. Before exceptional items, earnings per share amounted to €0.61 (2024: €0.55).

Business performance in the segments

In the period January 1, 2025 to December 31, 2025, DEUTZ's reporting structure was based on the DEUTZ Engines & Services and DEUTZ Solutions segments. The figures for the previous year have been adjusted to reflect this segment structure.⁹⁵

The Engines & Services segment, which accounted for 91.1% of revenue in 2025, was divided into the DEUTZ Engines and DEUTZ Service business units. They encompassed the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business, as well as the equity-accounted joint venture with Chinese construction equipment manufacturer SANY, the equity-accounted company D. D. Power Holdings, headquartered in South Africa, the exhaust aftertreatment specialist HJS Emission Technology, and SOBEK, a leading manufacturer of powerful electric drives for specialized high-tech application areas, such as motorsports, healthcare technology, and aerospace (including drones).⁹⁶

The DEUTZ Solutions segment included alternative drives as well as business activities that go beyond engine manufacturing and the servicing of diesel and gas internal combustion engines. It was divided into the DEUTZ NewTech and DEUTZ Energy business units. DEUTZ NewTech covered electrified products, hydrogen internal combustion engines, battery management specialist Futavis, the business of UMS (a specialist in the electrification of off-highway and defense vehicles), and the associated service businesses. The DEUTZ Energy business unit focused on decentralized energy supply. It encompassed the business of US genset manufacturer Blue Star Power Systems, the genset business of DEUTZ subsidiary MAGIDEUTZ, the investment in Chinese company DPX, whose main business fields are the sale of diesel engines and the manufacture and sale of gensets, and the Chinese equity-accounted joint venture DEUTZ Zhongguancun Hydrogen Technology.

The DEUTZ Solutions segment accounted for just under 9% of consolidated revenue in 2025 and was dominated by revenue from the profitable Energy business unit. Since alternative drive solutions are continuing to see only modest increases in demand, the NewTech business unit's R&D expenditure for electric and hydrogen-powered drive systems was matched by only a low level of revenue. As a result, the segment has not yet broken even overall due to the negative contribution to earnings from the NewTech business unit.

⁹⁵ Until December 31, 2024, DEUTZ's reporting structure had been based on the DEUTZ Classic and DEUTZ Green segments.
⁹⁶ See the press release dated September 2, 2025.

Note: As part of its portfolio transformation, DEUTZ completed the sale of Torqeedo, its subsidiary specializing in electric boat drives, at the start of April 2024.⁹⁷ In accordance with IFRS 5, the activities of the Torqeedo Group that had been included in the consolidated accounts within the Green segment (now DEUTZ NewTech) were reported as discontinued operations up to the point of deconsolidation in 2024. Unless otherwise indicated, the comparative figures for the DEUTZ Solutions segment presented below for 2024 are for continuing operations only. The sale in 2024 had no impact on the key figures for the DEUTZ Engines & Services segment.

DEUTZ Group: Segments

€ million	2025	2024	Changes
New orders			
DEUTZ Engines & Services	1,896.6	1,654.3	14.6%
DEUTZ Solutions	181.1	172.8	4.8%
Total	2,077.7	1,827.1	13.7%
Revenue			
DEUTZ Engines & Services	1,861.0	1,723.6	8.0%
DEUTZ Solutions	182.8	90.1	102.9%
Total	2,043.8	1,813.7	12.7%
Adjusted EBIT (EBIT before exceptional items)			
DEUTZ Engines & Services	130.0	103.2	26.0%
DEUTZ Solutions	-18.9	-25.4	25.6%
Consolidation/ Other	1.2	-1.1	-
Total	112.3	76.7	46.4%
Adjusted EBIT (EBIT margin before exceptional items)			
DEUTZ Engines & Services	7.0 %	6.0 %	+1.0pp
DEUTZ Solutions	(10.3) %	(28.2) %	+17.9pp
Total	5.5 %	4.2 %	+1.3pp

DEUTZ Engines & Services

The DEUTZ Engines & Services segment dominated consolidated revenue and new orders in 2025, accounting for 91.1% and 91.3% respectively. The reasons provided for the performance of revenue and new orders in the commentary at group level therefore also largely apply here.

New orders

DEUTZ Engines & Services: New orders by application segment

€ million	2025	2024	Change
Service	545.8	503.3	8.4%
Construction Equipment	525.1	344.9	52.2%
Material Handling	439.7	425.7	3.3%
Agricultural Machinery	208.3	200.0	4.2%
Miscellaneous	96.1	90.7	6.0%
Stationary Equipment	81.6	89.7	-9.0%
Total	1,896.6	1,654.3	14.6%

DEUTZ Engines & Services: New orders by region

€ million	2025	2024	Change
EMEA	1,215.7	1,019.4	19.3%
Americas	422.0	436.5	-3.3%
Asia-Pacific	150.3	110.9	35.5%
China	108.6	87.5	24.1%
Total	1,896.6	1,654.3	14.6%

New orders received in the DEUTZ Engines & Services segment rose by 14.6% to €1,896.6 million in 2025 in spite of a persistently challenging market environment. Successful portfolio changes significantly outweighed the effects of the fall in demand – which particularly affected sub-4 liter engines – caused primarily by the economic headwinds.

The individual application segments presented a mixed picture. Being less affected by the impact of acquisitions, the Material Handling, Agricultural Machinery, and Miscellaneous application segments experienced muted growth in orders, while Stationary Equipment – the smallest application segment – saw a slight fall in new orders. The growth recorded by the Construction Equipment application segment, on the other hand, primarily reflects the purchases made. The largest application segment, Service, also benefited from the contributions of new units, such as DEUTZ Polska, which was consolidated for the whole year for the first time.

At regional level, all regions with the exception of the Americas played a part in the double-digit percentage increase in new orders compared with the prior year. Without key impetus from new acquisitions, new orders in the Americas were adversely affected, in particular, by the difficult state of the market in the Material Handling application segment.

⁹⁷ See the press release dated April 3, 2024.

DEUTZ Engines & Services: New orders by application segment

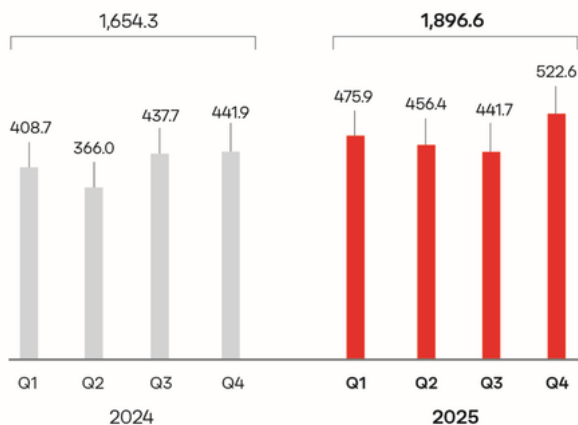
€ million	Q4 2025	Q4 2024	Change
Construction Equipment	155.9	84.4	84.7%
Service	139.2	129.0	7.9%
Material Handling	116.3	108.0	7.7%
Agricultural Machinery	59.8	56.1	6.6%
Stationary Equipment	31.4	28.3	11.0%
Miscellaneous	20.0	36.1	-44.6%
Total	522.6	441.9	18.3%

DEUTZ Engines & Services: New orders by region

€ million	Q4 2025	Q4 2024	Change
EMEA	320.9	260.5	23.2%
Americas	110.3	124.8	-11.6%
Asia-Pacific	51.5	33.9	51.9%
China	39.9	22.7	75.8%
Total	522.6	441.9	18.3%

DEUTZ Engines & Services: New orders by quarter

in Mio. €



In the fourth quarter of 2025, the DEUTZ Engines & Services segment recorded its highest level of new orders for the reporting year, thanks mainly to higher call-offs in the Construction Equipment and Agricultural Machinery application segments. The acquisitions made in the USA in the fourth quarter stood the Service application segment in good stead. The decline in new orders in the Americas was due to a fall in demand from a major customer in the Material Handling application segment.

Orders on hand in the DEUTZ Engines & Services segment totaled €408.9 million as at December 31, 2025 (December 31, 2024: €373.4 million).

Revenue

DEUTZ Engines & Services: Revenue by application segment

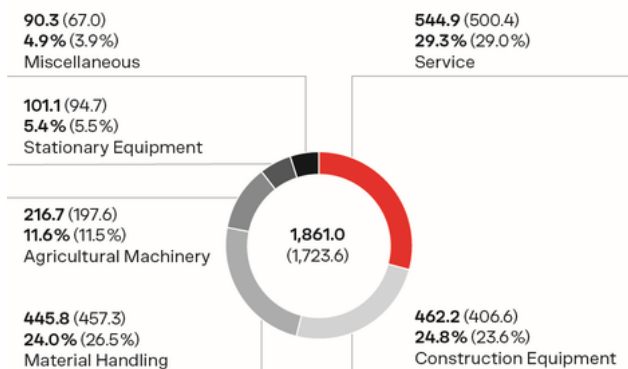
€ million	2025	2024	Change
Service	544.9	500.4	8.9%
Construction Equipment	462.2	406.6	13.7%
Material Handling	445.8	457.3	-2.5%
Agricultural Machinery	216.7	197.6	9.7%
Stationary Equipment	101.1	94.7	6.8%
Miscellaneous	90.3	67.0	34.8%
Total	1,861.0	1,723.6	8.0%

DEUTZ Engines & Services: Revenue by region

€ million	2025	2024	Change
EMEA	1,186.5	1,017.9	16.6%
Americas	433.0	462.8	-6.4%
Asia-Pacific	137.9	134.0	2.9%
China	103.6	108.9	-4.9%
Total	1,861.0	1,723.6	8.0%

DEUTZ Engines & Services: Revenue and proportion of revenue by application segment

€ million unless indicated otherwise (2024 figures in parenthesis)

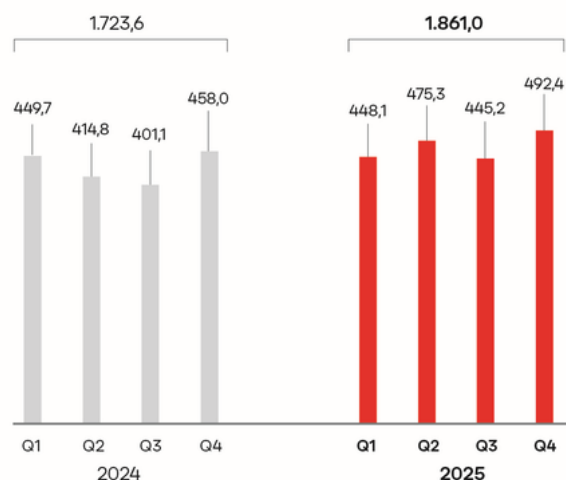


In 2025, revenue in the DEUTZ Engines & Services segment rose by 8.0% compared with 2024, advancing to €1,861.0 million despite the difficult conditions in the sector and the challenges in US business. A key contribution came from the successfully integrated sales and service business with Daimler Truck industrial engines, revenue from which was included for the full year for the first time. The consolidation of the HJS Emission Technology business also helped to offset the low level of demand for engines, especially in the sub-4 liter category.

In line with this trend, the rise in revenue was attributable on a regional level to EMEA, above all Europe.

DEUTZ Engines & Services: Revenue by quarter

€ million


DEUTZ Engines & Services: Revenue by application segment

€ million

	Q4 2025	Q4 2024	Change
Service	138.3	128.6	7.5%
Construction Equipment	122.6	98.6	24.3%
Material Handling	117.6	108.6	8.3%
Agricultural Machinery	55.5	63.4	-12.5%
Stationary Equipment	32.0	25.1	27.5%
Miscellaneous	26.4	33.7	-21.7%
Total	492.4	458.0	7.5%

DEUTZ Engines & Services: Revenue by region

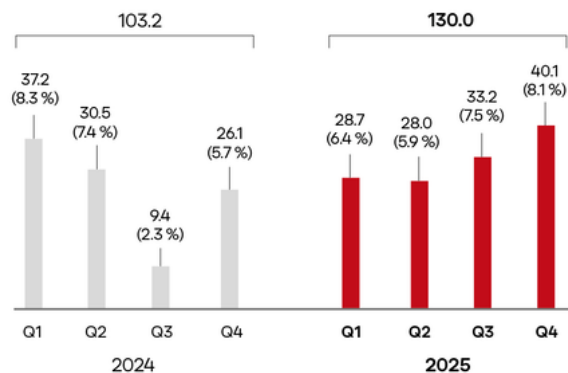
€ million

	Q4 2025	Q4 2024	Change
EMEA	314.4	288.5	9.0%
Americas	106.4	111.2	-4.3%
Asia-Pacific	33.7	27.7	21.7%
China	37.9	30.6	23.9%
Total	492.4	458.0	7.5%

In the fourth quarter of 2025, revenue in the DEUTZ Engines & Services segment stood at €492.4 million, making the last quarter of the year the fastest-growing one, as had also been the case in 2024.

Earnings
DEUTZ Engines & Services: Adjusted EBIT (EBIT before exceptional items) by quarter

€ million (EBIT margin, %)



The adjusted EBIT (EBIT before exceptional items) of the DEUTZ Engines & Services segment increased by €26.8 million compared with the prior year to €130.0 million in 2025 (2024: €103.2 million). This rise was due to the good level of service business and, in particular, the sale of former Daimler Truck engine variants in the off-highway segment as well as savings made under the Future Fit cost-cutting program. Furthermore, the €10.7 million contribution to earnings from the purchase price allocation for an acquisition was instrumental to this growth. By contrast, amortization and depreciation on the assets arising from purchase price allocations for past business acquisitions and takeovers had an adverse impact on earnings. This had also been the case in the prior year. These expenses amounted to €7.2 million in total in 2025 (2024: €6.4 million).

The adjusted EBIT margin of the DEUTZ Engines & Services segment went up from 6.0% to 7.0% in the reporting period.

In the fourth quarter of 2025, the segment's adjusted EBIT amounted to €40.1 million (Q4 2024: €26.1 million), a year-on-year rise of €14.0 million. The adjusted EBIT margin rose to 8.1% in the fourth quarter of 2025 (Q4 2024: 5.7%). The quarter-by-quarter change was also predominantly due to the aforementioned effects.

DEUTZ Solutions

DEUTZ Solutions: Key figures

€ million

	2025	2024	Change
New orders	181.1	172.8	4.8%
thereof DEUTZ Energy	165.4	165.7	-0.2%
thereof DEUTZ	15.7	7.1	121.1%
Revenue	182.8	90.1	102.9%
thereof DEUTZ Energy	168.8	82.9	103.6%
thereof DEUTZ	14.0	7.2	94.4%
EBIT before exceptional	-18.9	-25.4	25.6%
thereof DEUTZ Energy	15.2	8.7	74.7%
thereof DEUTZ	-34.1	-34.1	0.0%
EBIT margin before exceptional items	-10.3%	-28.2%	+17.9pp

DEUTZ Solutions: Key figures

€ million

	Q4 2025	Q4 2024	Change
New orders	50.6	39.0	29.7%
thereof DEUTZ Energy	49.7	37.6	32.2%
thereof DEUTZ New	0.9	1.4	-35.7%
Revenue	51.0	49.8	2.4%
thereof DEUTZ Energy	45.7	47.4	-3.6%
thereof DEUTZ	5.3	2.4	120.8%
EBIT before exceptional	-4.0	-5.2	23.1%
thereof DEUTZ Energy	3.8	4.3	-11.6%
thereof DEUTZ	-7.8	-9.5	17.9%
EBIT margin before exceptional items	-7.8 %	-10.4 %	+2.6pp

New orders

DEUTZ Solutions: New orders by region

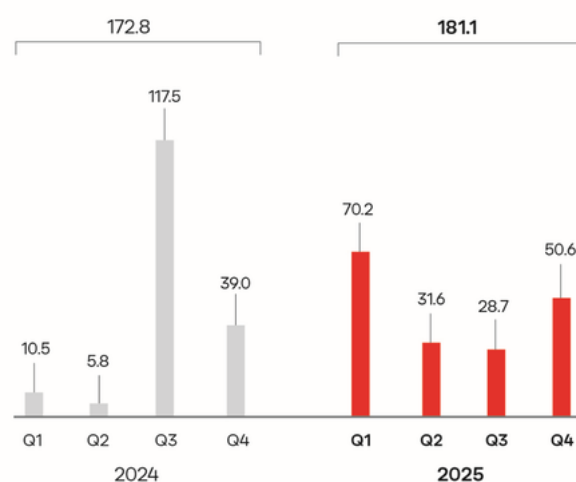
€ million

	2025	2024	Change
EMEA	30.7	26.7	15.0%
Americas	142.3	145.4	-2.1%
Asia-Pacific	0.0	0.1	-
China	8.1	0.6	1,250.0%
Total	181.1	172.8	4.8%

New orders received by the DEUTZ Solutions segment in 2025 amounted to €181.1 million, which was 4.8% higher than in the prior year. The increase was chiefly due to the acquisition of UMS at the beginning of June 2025. UMS is a Netherlands-based specialist in the electrification of off-highway vehicles. It was also responsible for the strong growth in new orders in the EMEA region. New orders in the Americas region were roughly on a par with the high level of the prior-year period, which had been given an exceptional boost by the initial consolidation of US genset manufacturer Blue Star Power Systems. The rise in new orders in China was due to the initial consolidation of DPX.

DEUTZ Solutions: New orders by quarter

€ million


DEUTZ Solutions: New orders by region

€ million

	Q4 2025	Q4 2024	Change
EMEA	5.0	4.0	25.0%
Amerika	39.2	34.9	12.3%
Asien/Pazifik	0.0	0.1	-
China	6.4	0.0	-
Gesamt	50.6	39.0	29.7%

The very strong growth in new orders in the fourth quarter was attributable to the Energy business. In the Americas, the rise in new orders stemmed from the Blue Star Power Systems business while in China the initial consolidation of DPX increased new orders. The positive trend in new orders in the EMEA region, meanwhile, was largely due to a rise in orders at MAGIDEUTZ.

Orders on hand in the DEUTZ Solutions segment totaled €88.8 million as at December 31, 2025 (December 31, 2024: €90.5 million).

Revenue

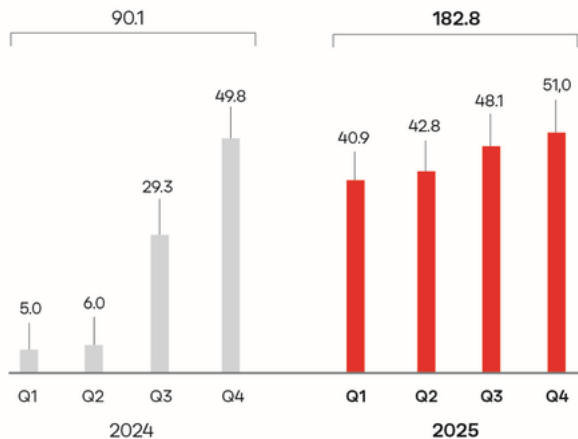
DEUTZ Solutions: Revenue by region

€ million			
	2025	2024	Change
EMEA	28.4	25.0	13.6%
Americas	146.0	64.2	127.4%
Asia-Pacific	0.3	0.3	0.0%
China	8.1	0.6	1,250.0%
Total	182.8	90.1	102.9%

In 2025, revenue in the DEUTZ Solutions segment saw exceptional year-on-year growth, with the DEUTZ Energy and DEUTZ NewTech business units contributing an approximate doubling of their respective revenue. Revenue growth in the Energy business unit was mainly driven by the US subsidiary Blue Star Power Systems, which was consolidated for the whole year for the first time in 2025 and accounted for the increase in revenue in the Americas. Adjusted for exchange rate effects, its revenue growth was even stronger. In the NewTech business unit, the increase in revenue arose mainly from the acquisition of Netherlands-based UMS, which was in turn responsible for the revenue growth in the EMEA region. The revenue growth in China was due to the initial consolidation of DPX.

DEUTZ Solutions: Revenue by quarter

€ million



DEUTZ Solutions: Revenue by region

€ million

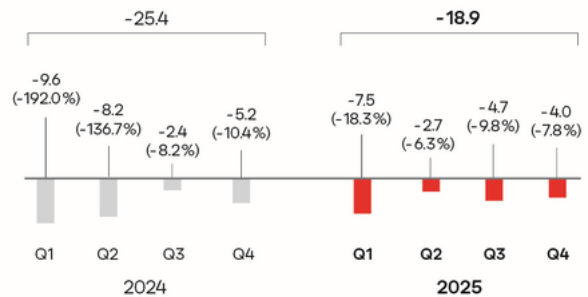
	Q4 2025	Q4 2024	Change
EMEA	9.0	9.7	-7.2%
Americas	35.6	40.1	-11.2%
Asia-Pacific	0.0	0.0	-
China	6.4	0.0	-
Total	51.0	49.8	2.4%

In the fourth quarter of 2025, DEUTZ recorded moderate revenue growth in the DEUTZ Solutions segment – despite tangibly negative currency effects. These included the depreciation of the US dollar, which reduced revenue year on year in the segment’s strongest revenue-generating region, the Americas. However, the negative currency effects and the decline in revenue in the EMEA region were more than offset by the initial consolidation of the investment in Chinese genset manufacturer DPX.

Earnings

DEUTZ Solutions: Adjusted EBIT (EBIT before exceptional items) by quarter

€ million (EBIT margin, %)



In 2025, the adjusted EBIT of the DEUTZ Solutions segment amounted to a loss of €(18.9) million, which nonetheless represented an improvement of €6.5 million that was primarily due to the positive contribution to EBIT made by genset manufacturer Blue Star Power Systems, which was included in the consolidated financial statements for the whole year for the first time in the reporting period. The positive contribution from Blue Star Power Systems was squeezed by amortization and depreciation on assets from the purchase price allocation. These effects have lessened considerably since the start of the third quarter, however. They came to €8.4 million in total in 2025 (2024: €4.5 million). The NewTech business unit made a negative contribution to earnings owing to continued high R&D expenditure and a low volume of unit sales.

In the fourth quarter, the adjusted EBIT for the segment amounted to a loss of €(4.0) million (Q4 2024: loss of €(5.2) million). This improvement was due to the earnings contribution of DPX, which has been fully consolidated since September 2025.

Financial position

Basic principles and objectives of financial management

The purpose of financial management is to ensure the solvency of the DEUTZ Group at all times by obtaining the necessary funds, to hedge and contain interest-rate risk, currency risk, and commodities risk throughout the Group, and to optimize the cost of capital. Responsibility for groupwide financial management, including managing funds within the Group, lies with DEUTZ AG as the parent company of the Group.

Funding

Sufficient liquidity ensured DEUTZ has a long-term syndicated loan of €250 million. The loan is unsecured, has a floating interest rate, and runs until May 2, 2029. The unused volume of the syndicated loan stood at around €156 million as at December 31, 2025.

DEUTZ also had access to five bilateral credit lines with a total value of €140 million as at December 31, 2025. These five credit lines are also unsecured, floating-rate facilities. The aforementioned €140 million falls due on December 31, 2026. A total of €55 million had been drawn down as at December 31, 2025.

At the start of August 2024, DEUTZ utilized a loan that was agreed for the specific purpose of funding the takeover of sales and service for selected off-highway engines from Rolls-Royce Power Systems. The loan has a volume in the high-double-digit millions of euros and is repayable in annual installments until March 2029.

In addition, DEUTZ has access to short-term credit lines and makes use of subsidized loans.

As part of its funding agreements, DEUTZ has undertaken to comply with certain financial and non-financial covenants. However, there is a fundamental risk of these covenants being breached if there is a dramatic deterioration in the general economic situation. This could be due to the effects of geopolitical crises, for example. Should such a risk materialize, DEUTZ would approach its funding partners in advance in order to negotiate the necessary waiver⁹⁸ and to enable further amounts to be drawn down under the syndicated loan.

To reduce interest-rate risk, DEUTZ AG has entered into interest-rate swaps with a total volume of €80 million. [See also](#) "Financial risk management", Note 28, p. 246 onward.

Capital increase against cash contributions secures financial flexibility On September 8, 2025, the DEUTZ Board of Management, with the approval of the Supervisory Board, resolved to carry out a capital increase against cash contributions – with the disapplication of pre-emption rights – by using some of the existing authorized capital.⁹⁹ In an accelerated bookbuilding process, the Company successfully issued 13,876,191 new shares. This increased the share capital of DEUTZ AG by 10% to 152,638,105 no-par-value bearer shares. The Board of Management and Supervisory Board of DEUTZ AG set the placement price at €9.45 per share, resulting in gross issue proceeds of approximately €131 million.¹⁰⁰ In view of the financial instruments that it has in place, its equity ratio of 51.3%, and the issue proceeds from the aforementioned capital increase, DEUTZ believes that it is in a strong financial position to be able to continue investing in growth by acquisition.

Receivables management optimized by means of factoring and systematic improvement of payment terms The sale of receivables, known as factoring, is an important way of optimizing receivables management. It enables DEUTZ to not only ensure sufficient liquidity but also improve its working capital, which tends to be affected by large amounts of capital being tied up in the preliminary financing of engine production and in the payment terms that it has granted.

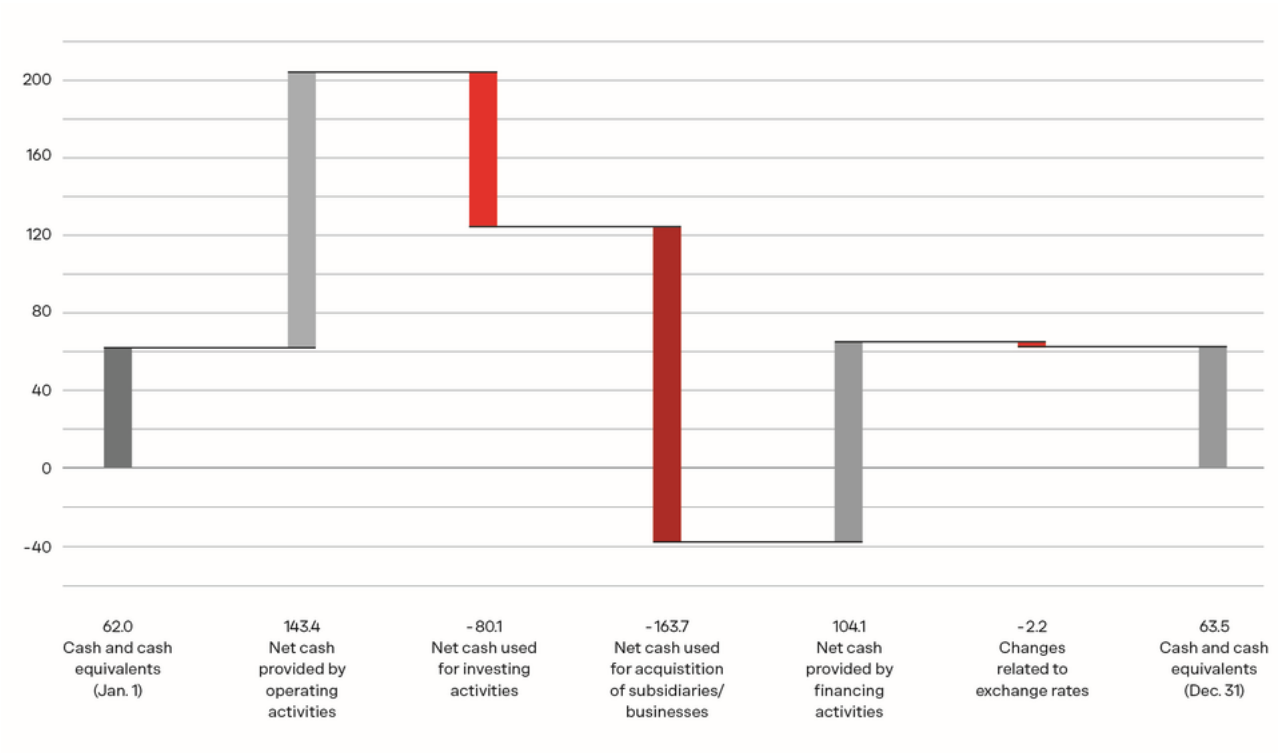
The volume of sales of receivables totaled around €116 million as at December 31, 2025, which was slightly higher than a year earlier (December 31, 2024: around €104 million) due to the business performance.

⁹⁸ Request made to a business partner to waive a particular provision or condition despite this provision or condition being contractually agreed.

⁹⁹ See the ad hoc disclosure dated September 8, 2025.

¹⁰⁰ See the ad hoc disclosure dated September 9, 2025.

DEUTZ Group: Change in cash and cash equivalents for the entire Group



Cash flow

DEUTZ Group: Overview of financial position

€ million	2025	2024	Change
Cash flow from operating activities	143.4	110.4	29.9%
Cash flow from investing activities	-243.8	-247.0	1.3%
Cash flow from financing activities	104.1	42.1	147.3%
Change in cash and cash equivalents	3.7	-28.9	-
Free cash flow from continuing operations¹⁰¹	-119.5	-153.1	21.9%
Free cash flow from continuing operations (before M&A)	44.2	30.0	47.3%
Free cash flow for entire Group¹⁰²	-119.5	-87.2	37.0%
Key figures			
Cash and cash equivalents at Dec. 31	63.5	62.0	2.4%
Current and non-current interest-bearing financial debt at Dec. 31	332.9	287.6	15.8%
thereof lease liabilities (IFRS 16)	78.1	86.9	-10.1%
Net financial position at Dec. 31 ¹⁰³	-269.4	-225.6	-19.4%

Cash flow from operating activities attributable to continuing operations amounted to €143.4 million in 2025. This year-on-year rise of €33.0 million was predominantly due to the increase in operating profit with an impact on cash flow, as well as to lower tax payments. The reduction in working capital also had a positive effect on cash flow, albeit to a much smaller extent than in the prior year. The decline in working capital can mainly be explained by the significant decrease in trade payables. The decrease was partly offset by higher inventories and trade receivables.

At €(243.8) million, net cash used for investing activities was slightly lower than in the prior year; €(163.7) million thereof related to acquisitions, notably that of the SOBEK Group in Germany, the UMS Group in the Netherlands, and Double Down Heavy Repair LLC in the USA. An amount of €(82.1) million was invested in intangible assets and property, plant and equipment. The year-on-year decrease was mainly attributable to a reduction in expenditure on acquisition of companies / businesses.

Cash flow from financing activities amounted to a net inflow of €104.1 million in the reporting period, which was considerably higher than the net inflow in the prior year of €42.1 million. This was mainly due to a capital increase of just under €128 million carried out in September 2025 against cash contributions by placing new shares in the capital markets. The capital increase against cash contributions in 2024 had amounted to just under €71 million. Cash flow from financing activities included a dividend payment to the shareholders of DEUTZ AG of €23.6 million and to non-controlling interests of €0.9 million.

As a result of the rise in cash flow from operating activities, free cash flow improved to a net outflow of €(119.5) million, compared with a net outflow of €(153.1) million in 2024. Free cash flow before mergers and acquisitions rose from €30.0 million in 2024 to €44.2 million in 2025. It was therefore in line with the most recent guidance, according to which a figure in the mid-double-digit millions of euros had been expected.

The aforementioned changes in cash flow during 2025 led to a modest increase in cash and cash equivalents of €1.5 million to €63.5 million.

Capital expenditure

Capital expenditure (after deducting investment grants)

€ million	2025	2024	Change
Property, plant and equipment	70.8	97.7	-26.9
thereof right-of-use assets for leases under IFRS 16	19.7	26.0	-6.3
thereof property, plant and equipment (excluding right-of-use assets for leases under IFRS 16)	51.1	71.7	-20.6
Intangible assets	24.6	4.7	19.9
	95.4	102.4	-7.0

Total capital expenditure (continuing operations) on property, plant and equipment and on intangible assets after deducting investment grants, and including capitalization of development expenditure,¹⁰⁴ amounted to €95.4 million in 2025 (2024: €102.4 million). Excluding capitalized development expenditure,¹⁰⁵ capital expenditure (after deducting grants) amounted to €90.3 million in the reporting year

¹⁰¹ Cash flow from operating activities and from investing activities less net interest expense.

¹⁰² The key figures for the entire DEUTZ Group include continuing operations and discontinued operations (including Torqeedo Group).

¹⁰³ Cash and cash equivalents less current and non-current interest-bearing financial debt.

¹⁰⁴ Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalized development expenditure in relation to the product portfolio.

¹⁰⁵ Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalized development expenditure in relation to the product portfolio.

(2024: €100.2 million). It thus slightly exceeded the forecast range of between €75 million and €90 million.¹⁰⁶

In the year under review, capital expenditure on intangible assets mainly comprised investment in IT infrastructure and in the development of new engine series.

The additions to property, plant and equipment mainly related to the purchase of new test rigs, the installation of a new high-bay storage system in the Service business, and replacement investment in production lines.

The additions to right-of-use assets mainly related to the conclusion of new property leases and to extensions of existing property leases.

The Engines & Services segment accounted for the bulk of the capital expenditure (after deducting investment grants), at €90.4 million (2024: €100.6 million). A sum of €1.8 million was invested in the Solutions segment (2024: €1.8 million).

Net assets

DEUTZ Group: Overview of net assets

€ million			
	Dec. 31, 2025	Dec. 31, 2024	Change
Non-current assets	1,133.2	937.5	20.9%
thereof right-of-use assets in connection with leases	74.3	75.2	-1.2%
Current assets	778.9	745.8	4.4%
Total assets	1,912.1	1,683.3	13.6%
Equity	980.0	847.9	15.6%
Non-current liabilities	246.2	261.1	-5.7%
thereof lease liabilities	58.9	60.1	-2.0%
Current liabilities	685.9	574.3	19.4%
thereof lease liabilities	19.2	26.8	-28.4%
Total equity and liabilities	1,912.1	1,683.3	13.6%
Key figures			
Working capital (€ million)	382.9	383.0	0.0%
Working capital ratio	18.7%	21.1%	-2.4pp
Working capital ratio (average)	18.6%	22.2%	-3.6pp
Equity ratio	51.3%	50.4%	+0.9pp

Assets Non-current assets stood at €1,133.2 million as at December 31, 2025, a year-on-year rise of €195.7 million. The increase is mainly due to the acquisitions made in 2025. The acquisitions of SOBEK, UMS, DEUTZ Turkey, and Double Down Heavy Repair led to an increase in goodwill in connection with temporary purchase price allocations.

The year-on-year rise in deferred tax assets was due to temporary differences resulting from a reduction in capitalized development expenditure that is not recognized in the tax accounts and from increased opportunities to utilize tax loss carryforwards.

Working capital Inventories increased by €19.4 million year on year to stand at €451.0 million as at December 31, 2025. This was largely due to the acquisitions made in 2025. Adjusted for this effect, inventories declined slightly.

Trade receivables and trade liabilities also increased year on year, advancing by €6.2 million to €192.6 million and by €25.7 million to €260.7 million respectively. These developments were mainly due to the higher volume of revenue as a result of the acquisitions. Working capital amounted to €382.9 million as at December 31, 2025, which was on a par with the prior year.

Owing to the increase in revenue and the slightly lower average working capital, the average working capital ratio decreased from 22.2% to 18.6% in 2025 and was therefore within the original forecast range of 17% to 20%.¹⁰⁷

Equity Equity increased to €980.0 million as at December 31, 2025. Besides the net income generated in 2025, this increase was attributable, in particular, to the capital increase carried out in September 2025. In connection with the capital increase, 13.9 million new shares were placed in the capital markets, generating net proceeds of €128 million in cash. The equity ratio improved from 50.4% as at December 31, 2024 to 51.3% as at December 31, 2025. [📄 See also 'Funding', p. 68 onward.](#)

The equity ratio remains sound at well above the target figure of more than 40%, and DEUTZ therefore continues to view its financial position as comfortable.¹⁰⁸

¹⁰⁶ See the business outlook in the 2024 annual report.

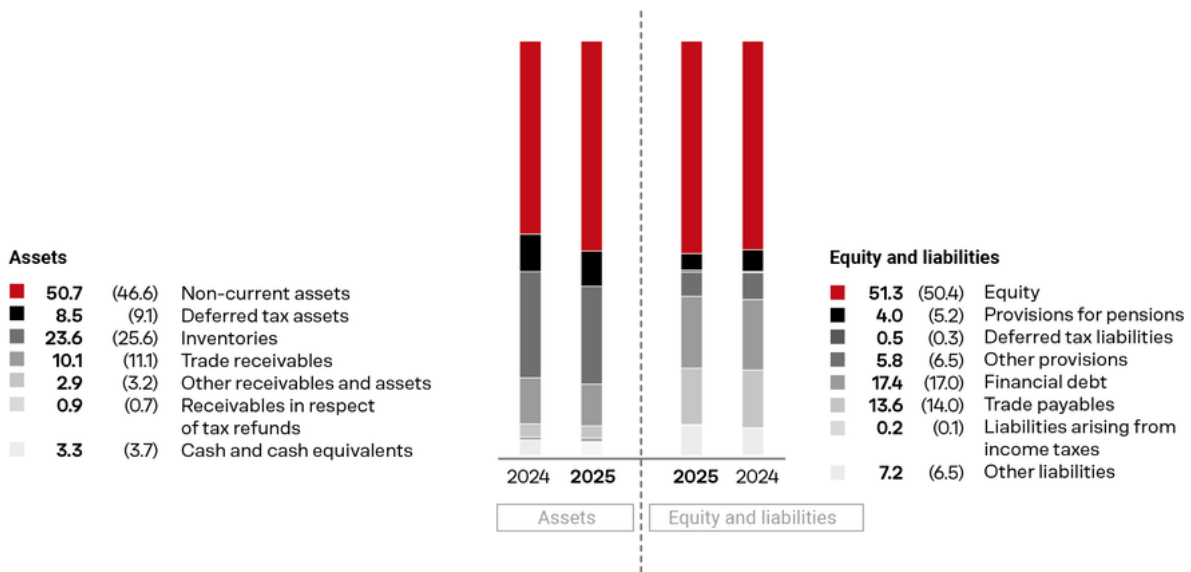
¹⁰⁷ See the business outlook in the 2024 annual report.

¹⁰⁸ See the business outlook in the 2024 annual report.

Liabilities The fall in non-current liabilities from €261.1 million to €246.2 million as at December 31, 2025 was primarily due to the scheduled repayment of financial liabilities and the decline in pension liabilities. These decreases were partly offset by a modest increase in other provisions. Current liabilities rose by €111.6 million to €685.9 million, primarily due to the increased drawdown of short-term lines of credit and to higher other liabilities. The rise in other liabilities was mainly attributable to the acquisitions made in 2025.

DEUTZ Group: Balance sheet structure

% (figures as at Dec. 31, 2024 in parentheses)



DEUTZ AG

The following remarks refer to the annual financial statements of DEUTZ AG. The annual financial statements of DEUTZ AG are prepared in accordance with the requirements of the German Commercial Code (HGB).

BASIC PRINCIPLES AND BUSINESS PERFORMANCE OF DEUTZ AG

DEUTZ AG is the parent company of the DEUTZ Group. In Germany and abroad, DEUTZ AG has a direct or indirect stake in 59 companies (2024: 47 companies). DEUTZ AG is also by far the largest production company of the DEUTZ Group and provides the head-office functions for the Group. [See 'List of shareholdings', p. 266 onward](#), for further information on DEUTZ AG's equity investments.

Because the business performance and financial situation of DEUTZ AG are essentially the same as for the DEUTZ Group, please refer in this regard to the »Business performance in the DEUTZ Group« section of this combined management report. [See also 'Business performance in the DEUTZ Group', p. 53 onward](#).

Because of the significance of DEUTZ AG within the Group, and its heavy interdependencies with other Group companies, the Group is managed at the level of DEUTZ AG. In addition to the key performance indicators used for management at Group level, the net income of DEUTZ AG – the relevant variable for the payment of dividends – is also an element of the management system of the Company. The internal management system for the DEUTZ Group is described in this combined management report. [See also 'Internal management system', p. 42 onward](#).

The DEUTZ Group's net income in accordance with IFRS is reconciled to DEUTZ AG's net income in accordance with HGB:

RESULTS OF OPERATIONS

DEUTZ AG: Reconciliation

€ million	
DEUTZ Group net income (IFRS)	54.1
Consolidation of equity investments	11.6
DEUTZ AG net income (IFRS)	42.5
Material differences due to different financial reporting standards	
Recognition of development expenditure	0.7
Recognition of leases	0.2
Measurement of provisions for pensions and other post-retirement benefits	3.6
Measurement of investments	-12.2
Measurement of inventories	-1.0
Other differences relating to the financial reporting standards	-5.4
DEUTZ AG net income (HGB)	28.4

DEUTZ AG: Overview of results of operations

€ million			
	2025	2024	Change
Revenue	1,488.6	1,422.8	65.8
Cost of sales	-1,259.4	-1,203.3	56.1
Research and development costs	-88.8	-99.2	10.4
Selling and administrative expenses	-159.7	-144.8	-14.9
Other operating income	45.9	56.8	-10.9
Other operating expenses	-10.3	-25.7	15.4
Net investment income	25.1	20.5	4.6
Write-downs of investments	-12.2	-6.2	-6.0
Operating profit (EBIT)	29.2	20.9	8.3
Interest expenses, net	-8.9	-7.8	-1.1
Income taxes	8.5	26.8	-18.3
Other taxes	-0.4	-0.6	0.2
Net income	28.4	39.3	-10.9

Revenue DEUTZ AG's revenue rose by 4.6% to €1,488.6 million in 2025. This increase was primarily attributable to the Stationary Equipment application segment (up by 13.9% to €80.3 million), the Construction Equipment application segment (up by 5.8% to €415.6 million), the Service application segment (up by 8.9% to €382.2 million), and the Agricultural Machinery application segment (up by 8.1% to €209.2 million). The Material Handling application segment, by contrast, recorded a 6.1% reduction in revenue to €344.6 million. In the regional breakdown, revenue grew in the EMEA region (up by 11.1% to €1,028 million) and in the Asia-Pacific region (up by 3.2% to €115.0 million). The Americas, meanwhile, saw a decline (down by 11.4% to €272.6 million), as did China (down by 6.5% to €73.0 million).

Earnings performance DEUTZ AG generated operating profit (EBIT) of €29.2 million in 2025 (2024: €20.9 million). The considerable increase of €8.3 million compared with the prior year is chiefly attributable to an increase in the volume of business – due to the inclusion of the Daimler Truck industrial engines business that was acquired in 2024 in the consolidated financial statements for a full year – and to effects of the cost-cutting measures initiated in the prior year. The costs incurred under the Future Fit program in the first half of 2025 were offset by positive effects from the program in the second half of the year. In addition, lower research and development costs, higher net investment income, and reductions in provisions, especially the provision for onerous contracts in respect of orders on hand – which was due to improved economies of scale and a positive mix of orders – also contributed to the increase in earnings. By contrast, higher selling and administrative expenses and write-downs of investments had an adverse impact on earnings. Negative currency effects also arose in 2025 in relation to the long-term loan issued in US dollars to the subsidiary DEUTZ Corporation, Atlanta (USA).

Cost of sales DEUTZ AG's cost of sales came to €(1,259.4) million in 2025. The year-on-year increase was mainly attributable to the volume-related rise in the cost of materials. Despite the higher level of costs, the gross margin¹⁰⁹ was unchanged compared with the prior year at 15.4%.

Research and development costs In 2025, research and development costs amounted to €(88.8) million. They mainly comprised the cost of materials, staff costs, and impairment losses on capitalized development expenditure. Investment grants received and capitalized development expenditure were deducted from the total. The decline of €10.4 million compared with 2024 was largely attributable to a reduced level of research activity in the NewTech business unit.

Selling and administrative expenses The growth of selling and administrative expenses primarily stemmed from a larger addition to the provision for long-term share option plans. There was also an increase in consultancy and integration costs in connection with strategic projects.

Other operating income Other operating income decreased by €10.9 million in the reporting period. The decline is chiefly due to factors affecting other operating income in the prior year, including positive currency effects from the long-term loan issued in US dollars to the subsidiary DEUTZ Corporation, Atlanta (USA), and the gain on a disposal from the sale of the Torqeedo Group.

Other operating expenses Other operating expenses went down by €15.4 million year on year, mainly because of lower allocations to provisions, including provisions for onerous contracts in respect of orders on hand.

Net investment income The €4.6 million rise in net investment income to €25.1 million can predominantly be explained by much lower expenses from the transfer of losses. In 2024, loss transfers had mainly related to Torqeedo GmbH, which was sold in the first half of 2024.

Income taxes Tax income totaling €8.5 million was recognized in 2025 (2024: €26.8 million). This tax income was attributable, in particular, to an increase in the capitalization of tax assets on tax losses carried forward, partly because of the acquisitions and the related change in medium-term taxable earnings expectations. This increase was lower than in 2024, however, meaning that deferred tax income and thus also current tax income were significantly lower overall year on year.

Net income As a result of the performance described above, DEUTZ AG's net income for 2025 amounted to €28.4 million (2024: €39.3 million) and was therefore in line with the forecast made in the 2024 annual report of an amount in the mid-double-digit millions of euros.

FINANCIAL POSITION

Financial management in the DEUTZ Group is one of the core functions of the Group, and DEUTZ AG holds responsibility for this function. The basic principles and objectives of financial management at DEUTZ AG are therefore largely the same as those of the Group, as is the funding of DEUTZ AG. With this in mind, please refer to the relevant sections of this combined management report. [📄 See also](#) 'Financial position of the DEUTZ Group', p. 65 onward.

DEUTZ AG: Overview of financial position

€ million	2025	2024	Change
Cash flow from operating activities	80.6	84.7	-4.1
Cash flow from investing activities	-235.8	-157.0	-78.8
Cash flow from financing activities	144.8	64.6	80.2
Change in cash and cash equivalents	-10.4	-7.7	-2.7
Free cash flow ¹¹⁰	-163.7	-78.4	-85.3
Cash and cash equivalents at Dec. 31	13.2	23.6	-10.4

Liquidity Cash flow from operating activities amounted to €80.6 million in 2025 and was thus down slightly year on year. The decline was largely due to an increase in the short-term provision of capital within the scope of groupwide cash pooling. At €(235.8) million, net cash used for investing activities was higher than in 2024. The ongoing implementation of strategically important growth projects led to a year-on-year rise in cash payments for acquisitions. Cash flow from financing activities amounted to a net cash inflow of €144.8 million in the reporting year, compared with a net cash inflow of €64.6 million in the previous year. This growth was primarily due to a capital increase of around €131 million

¹⁰⁹ Ratio of revenue less cost of sales to revenue.

¹¹⁰ Cash flow from operating activities and from investing activities less net interest expense.

resulting from the placement of new shares in the capital markets. Cash flow from financing activities included a dividend payment to the shareholders of DEUTZ AG amounting to €23.6 million. Free cash flow amounted to a net outflow of €(163.7) million. This significant deterioration compared with 2024 was due to an increased cash outflow for expenditure on investments, the acquisition of all of the shares in SOBEK Group GmbH, and a capital increase at DEUTZ Amerika Holding.

NET ASSETS

DEUTZ AG: Overview net assets

€ million	Dec. 31, 2025	Dec. 31, 2024	Change
Non-current assets	1,064.1	896.7	167.4
Current assets	483.0	445.1	37.9
Prepaid expenses	4.8	6.8	-2.0
Deferred tax assets	150.5	138.9	11.6
Excess of plan assets over post-employment benefit liability	0.3	1.3	-1.0
Total assets	1,702.7	1,488.8	213.9
Equity	977.7	841.7	136.0
Provisions	233.5	244.6	-11.1
Liabilities	490.2	401.4	88.8
Deferred income	1.3	1.1	0.2
Total equity and liabilities	1,702.7	1,488.8	213.9
Working capital (€ million) ¹¹¹	86.5	84.3	2.2
Working capital ratio (Dec. 31)	5.8%	5.9%	-0.1pp
Equity ratio ¹¹²	57.4%	56.5%	+0.9pp

Non-current assets Compared with December 31, 2024, non-current assets were up by €167.4 million as at December 31, 2025. This was primarily due to expenditure on intangible assets – especially in relation to IT – and to investments. The additions to investments largely related to the acquisition of shares in SOBEK Group GmbH and DEUTZ Turkey as well as a capital increase at DEUTZ Amerika Holding GmbH.

Current assets Current assets went up by €37.9 million year on year. Besides a higher volume of inventories, this rise was mainly due to an increase in receivables from affiliated companies, the higher volume of business, and expenditure on investments.

Working capital Working capital stood at €86.5 million as at December 31, 2025, which was a modest €2.2 million higher than the €84.3 million reported as at December 31, 2024. The rise in working capital is mainly due to higher inventories and receivables stemming from the higher volume of business. These effects were partly offset by trade liabilities. Despite the slight increase in working capital, the working capital ratio was roughly the same as in the prior year at 5.8% as at the balance sheet date (December 31, 2024: 5.9%) owing to the growth in revenue.

Equity ratio In addition to net income, the €136.0 million rise in equity to €977.7 million can primarily be explained by a capital increase of around €131.1 million resulting from the placement of new shares with institutional investors. Dividend payments had the opposite effect on equity. The equity ratio was up slightly at 57.4 at the end of the year.

Liabilities The main reason for the increase in liabilities of €88.8 million was the rise in liabilities to banks, which in turn, mainly resulted from the higher drawdown of short-term lines of credit. The rise in liabilities to affiliated companies was chiefly attributable to the inclusion of Blue Star Power Systems – which was acquired in 2024 – in the groupwide cash pooling process.

Provisions The key influence on provisions was a decrease in provisions, including provisions for pensions and other post-retirement benefits, provisions for onerous contracts in respect of orders on hand, and provisions for warranty obligations. Provisions for restructuring, on the other hand, increased.

EMPLOYEES

DEUTZ AG employed 3,154 people as at December 31, 2025, which was 138 fewer than at the end of 2024. The number of temporary workers went up by 76 to 90. [See also](#) 'Employees of the DEUTZ Group', p. 49.

DEUTZ AG: Employees¹¹³

Number of employees	Dec. 31, 2025	Dec. 31, 2024
Cologne	2,564	2,713
Ulm	440	424
Other	150	155
Total	3,154	3,292

¹¹¹ Inventories plus trade receivables less trade payables.

¹¹² Total equity/equity and debt.

¹¹³ Figures for the number of employees in this section are expressed as FTEs (full-time equivalents).

RISK AND OPPORTUNITY REPORT

DEUTZ AG is integrated into the risk management system of the DEUTZ Group. As a head-office function, risk management for the Group is performed by DEUTZ AG. Information about the structuring and mechanics of the risk management system and of risk management with regard to financial instruments can be found in the risk report of the DEUTZ Group on p. 80 onward.

Because DEUTZ AG is closely integrated with the other Group companies, its risk and opportunities situation is essentially the same as that of the Group. Risks arising from subsidiaries may have an effect on DEUTZ AG because of the carrying amount of an equity investment, reduced dividend payments, and the internal business relations. The risks and opportunities for the DEUTZ Group are described in this combined management report. [See also](#) 'Risk report of the DEUTZ Group', p. 80 onward.

Information about DEUTZ AG's internal accounting-related control system and about risk management with regard to the use of financial instruments at DEUTZ AG can be found in the combined management report. [See also](#) 'Internal control system', p. 83 onward.

FORECAST

DEUTZ AG performs the head-office functions of the DEUTZ Group and is currently the biggest production company within the Group by some margin. In light of the progressive transformation of the portfolio and the resulting new business unit structure that was introduced on January 1, 2026, the expectations presented in the Group forecast are – unlike in the past – no longer the same as those for DEUTZ AG. [See also](#) 'Business model and segments', p. 38 onward. With this in mind, DEUTZ AG is expected to generate revenue of between €1.6 billion and €1.8 billion in 2026. DEUTZ AG's net income is predicted to be in the mid to high double-digit millions of euros. [See also](#) 'Forecast for the DEUTZ Group for 2026', p. 160 onward.

For information about events after the reporting period, please see Note 30 on page 259 onward of the notes to the consolidated financial statements.

Overall assessment for 2025

Target/actual comparison for 2025

DEUTZ Group	Actual 2024	Original guidance 2025	Refinement in November 2025 ¹¹⁴	Actual 2025
Revenue	€1.81 billion	€2.1 billion to €2.3 billion	€2.1 billion, at the lower end of the forecast range	€2.04 billion
thereof DEUTZ Engines & Services	€1.72 billion	€2.0 billion to €2.2 billion		€1.86 billion
thereof DEUTZ Solutions	€90.1 million	€150 million to €200 million		€182.8 million
EBIT margin (before exceptional items)	4.2%	5.0% to 6.0 %	Midpoint of the forecast range of 5.0% to 6.0%	5.5%
thereof DEUTZ Engines & Services	6.0%	6.0% to 7.0 %		7.0%
thereof DEUTZ Solutions	-28.2%	-10,0 % to break-even level		-10.3%
ROCE (before exceptional items)	6.6%	High-single-digit percentage figure		8.3%
R&D expenditure (after deducting grants)	€93.4 million	€80 million to €90 million		€85.0 million
Capital expenditure (after deducting grants)	€100.2 million	€75 million to €90 million		€90.3 million
Free cash flow (before mergers and acquisitions)	€30.0 million	Mid-double-digit million euro amount	Mid-double-digit million euro amount	€44.2 million
Average working capital ratio	22.2%	17% to 19%		18.6%
Equity ratio	50.4%	Well above 40%		51.3%

In view of its business performance in the first three quarters of 2025 and the fact that the Construction Equipment and Agricultural Machinery application segments, in particular, were still waiting for the market to recover, DEUTZ refined its full-year guidance for 2025 published in its 2024 annual report when it published its results for the first three quarters of the reporting year. In its revised guidance for 2025, revenue was expected to be €2.1 billion, which was at the lower end of the forecast range of €2.1 billion to €2.3 billion. DEUTZ also specified that, because of the impact of the portfolio changes, the increasingly positive effects of the cost-cutting program, and the contributions to earnings from the Energy business unit and the service business, the adjusted EBIT margin was likely to be around the midpoint of the target range of 5.0% to 6.0% and forecast free cash flow before mergers and acquisitions was likely to remain in the mid-double-digit millions of euros.

Taking the aforementioned refinements into account, DEUTZ achieved the majority of the forecast figures and ranges for 2025.

Given the challenges that arose due to the geopolitical and economic situation, the DEUTZ Board of Management views the Group's business performance in 2025 as very satisfactory overall. Compared with previous phases of economic weakness, the Group is proving to be significantly more resilient as a result of the rigorous implementation of its Dual+ strategy, and is also in a position to achieve profitable growth. The balance sheet is considered extremely sound in light of the strong equity ratio. The Board of Management believes that, in view of the transformation it has initiated, the Group is well on track to achieve its medium-term targets too.

¹¹⁴ See the press release dated November 6, 2025.

Group sustainability statement pursuant to sections 289 b and 315 b HGB

DEUTZ AG publishes a Group sustainability statement for the DEUTZ Group and DEUTZ AG. We refer here to our remarks on page 90 onward of the annual report and to our website www.deutz.com/en/sustainabilitystatement2025.

Corporate governance declaration pursuant to sections 289f and 315d HGB¹¹⁵

The corporate governance declaration pursuant to section 289f HGB can be found on page 20 onward and at www.deutz.com/en/cgd2025.

Disclosures pursuant to sections 289 a and 315 a HGB

Composition of the issued capital The issued capital (share capital) of DEUTZ AG changed as follows in 2025: Following the capital increase in September 2025, the share capital amounts to €390,753,548.80 and is divided into 152,638,105 no-par-value bearer shares. The share capital had previously amounted to €354,739,200.24 and had been divided into 138,761,914 no-par-value bearer shares.

Restrictions affecting voting rights or the transfer of shares DEUTZ AG is not aware of any restrictions affecting voting rights or the transfer of shares.

Direct or indirect shareholdings representing more than 10% of voting rights Up to December 31, 2025, DEUTZ AG had not been notified of any direct or indirect shareholdings in DEUTZ AG representing more than 10% of the voting rights.

Legal provisions and Statute provisions regarding the appointment and removal of members of the Board of Management and regarding changes to the Statutes The appointment and removal of members of the Board of Management are governed by sections 84 and 85 of the German Stock Corporation Act (AktG) and section 31 of the German Codetermination Act (MitbestG). Pursuant to section 84 (1) AktG, members of the Board of Management are appointed by the Supervisory Board for a maximum term of five years. In accordance with the German Corporate Governance Code (DCGK), the initial appointment is for just three years. Reappointment or extension is permitted, in each case for a maximum of five years. Section 84 (3) AktG provides that a member of the Board of Management has the right to request that the Supervisory Board revoke their appointment if they are temporarily unable to discharge their duties due to maternity or parental leave, care for a family member, or

illness. In accordance with section 84 (3) AktG, the Supervisory Board must revoke the appointment of this member of the Board of Management and commit to reappointing them. The Supervisory Board may revoke the appointment of a member of the Board of Management pursuant to section 84 AktG for cause. Section 31 MitbestG, which applies as DEUTZ AG falls within the scope of the Act, regulates the majority of votes required to appoint or remove members of the Board of Management and the procedure in the Supervisory Board.

Articles 7 (1) and 7 (2) of the Statutes of DEUTZ AG contain supplementary provisions, as follows:

- 1 The Board of Management comprises at least two members.
- 2 The Supervisory Board determines the number of members of the Board of Management and the allocation of responsibilities. It may draw up and issue rules of procedure.

If the Board of Management does not have all the required members, the court shall, in urgent cases, make the necessary appointments at the request of a party involved (section 85 AktG).

Under section 179 AktG, a resolution of the Annual General Meeting is required for any amendment of the Statutes. The resolution of the Annual General Meeting requires a majority of not less than three-quarters of the share capital represented at the passing of the resolution. The Statutes may provide for a different capital majority; however, for any change to the objects clause, only a larger majority. The Statutes of DEUTZ AG exercise this right to deviate in article 20 (1), which states: "The Annual General Meeting shall always adopt resolutions in accordance with the majority of the yes or no votes cast and, so far as a majority of the share capital is required, by simple majority of the share capital, unless otherwise stipulated by law or the Statutes."

Where an amendment relates only to the wording and not the spirit of the Statutes, the Annual General Meeting may delegate the authority to make amendments to the Supervisory Board pursuant to section 179 AktG. The Company has made use of this right in article 14 of the Statutes of DEUTZ AG, which states:

»The Supervisory Board may change the wording but not the spirit of the Statutes.«

¹¹⁵ Not audited.

Authority of the Board of Management, in particular with regard to share issue or buyback

Authorized capital 2023/I

Pursuant to article 4 (2) of the Statutes of DEUTZ AG, the Board of Management is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before April 26, 2028 on one or more occasions in installments through the issue of up to 24,172,356 (in words: twenty-four million, one hundred and seventy-two thousand, three hundred and fifty-six) new no-par-value bearer shares for cash by up to a total amount of €61,795,646.86 (in words: sixty-one million, seven hundred and ninety-five thousand, six hundred and forty-six euros and eighty-six cents) (authorized capital 2023/I).

The issue of new shares on the basis of this authorization is permitted only if – taking account of other shares to be included – the total of the new shares does not exceed 40% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. Included in the aforementioned 40% limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

Pre-emption rights must be granted to existing shareholders. The new shares may also be transferred to banks, securities institutions, or a company operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 53b (7) of the German Banking Act (KWG) subject to an undertaking by the bank(s), institution(s), or company to offer the shares to existing shareholders (indirect pre-emption right).

However, the Board of Management is authorized, subject to the consent of the Supervisory Board, to disapply pre-emption rights where necessary for fractional amounts arising on the calculation of pre-emption rights.

The total of the shares issued with the disapplication of pre-emption rights and in accordance with this authorization must not exceed 10% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. Included in the aforementioned 10% limit are (i) shares that have previously been or are simultaneously being sold or issued (with the disapplication of pre-emption rights) during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service

bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued (with the disapplication of pre-emption rights) by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

The Board of Management is further authorized, with the consent of the Supervisory Board, to specify the further content of the share rights and the terms of the share issue for implementing any capital increases under authorized capital 2023/I.

The Supervisory Board is authorized to amend the wording of the Statutes after a share capital increase has been carried out in full or in part by exercising authorized capital 2023/I and after the authorization period has ended.

Authorized capital 2025/I

Pursuant to article 4 (3) of the Statutes of DEUTZ AG, the Board of Management is authorized, subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before May 7, 2030 on one or more occasions in installments through the issue of up to 13,876,191 (in words: thirteen million, eight hundred and seventy-six thousand, one hundred and ninety-one) new no-par-value bearer shares for cash and/or non-cash contribution by up to a total amount of €35,523,048.96 (in words: thirty-five million, five hundred and twenty-three thousand, forty-eight euros and ninety-six cents) (authorized capital 2025/I).

The Board of Management was originally authorized by the Annual General Meeting of May 8, 2025, pursuant to article 4 (3) of the Statutes of DEUTZ AG and subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before May 7, 2030 on one or more occasions in installments through the issue of up to 27,752,382 (in words: twenty-seven million, seven hundred and fifty-two thousand, three hundred and eighty-two) new no-par-value bearer shares for cash by up to a total amount of €71,046,097.92 (in words: seventy-one million, forty-six thousand, ninety-seven euros and ninety-two cents) (authorized capital 2025/I). With the capital increase of September 2025, the Board of Management, with the consent of the Supervisory Board, made partial use of this authorization and, utilizing authorized capital 2025/I, increased the share capital of the Company by €35,523,048.96 through the issue of 13,876,191 new no-par-value bearer shares.

The issue of new shares on the basis of this authorization is permitted only if – taking account of other shares to be included – the total of the new shares does not exceed 40% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. Included in the aforementioned 40% limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

Pre-emption rights must be granted to existing shareholders. The new shares may also be transferred to banks, securities institutions, or a company operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 53b (7) of the German Banking Act (KWG) subject to an undertaking by the bank(s), institution(s), or company to offer the shares to existing shareholders (indirect pre-emption right).

However, the Board of Management is authorized, subject to the consent of the Supervisory Board, to disapply the pre-emption rights of the existing shareholders

a) where necessary for fractional amounts arising from the calculation of pre-emption rights;

b) for capital increases against non-cash contributions, in particular (i) when issuing new shares for mergers or acquisitions of entities, parts of entities or equity investments in entities, including increases in existing shareholdings or other assets eligible as capital contributions in connection with such acquisition plans, including receivables from the Company, (ii) when acquiring other assets or claims to the acquisition of assets, and (iii) when carrying out a so-called scrip dividend, where shareholders are offered the option of exchanging their rights to a dividend (wholly or in part) for new shares issued under the authorized capital 2025/l;

c) for cash contributions, if the issue price of the shares is not significantly below the market price of the existing publicly listed shares in the Company on the date the final issue price is fixed. The total of the shares issued for cash with the disapplication of pre-emption rights and in accordance with this clause c) must not exceed 10% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. The aforementioned 10% limit includes shares that have previously been or are simultaneously being sold or issued (with the disapplication of pre-emption rights) during the term of this authorization on the basis of other authorizations in direct application, or

application with the necessary modifications, of section 186 (3) sentence 4 AktG. This restriction also includes shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued (with the disapplication of pre-emption rights) by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization in application, with the necessary modifications, of section 186 (3) sentence 4 AktG.

d) where necessary in order to grant holders or creditors of option and/or conversion rights or of corresponding option and/or conversion obligations arising from warrant-linked bonds and/or convertible bonds and/or profit-sharing rights (where such bonds are issued or are to be issued in the future by the Company or by one of its direct or indirect majority shareholdings) a conversion or pre-emption right to the same amount of new shares in the Company that they would be entitled to as a shareholder following the exercise of their option or conversion rights or after fulfilling option or conversion obligations.

The total of the shares issued with the disapplication of pre-emption rights and in accordance with this authorization must not exceed 10% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. Included in the aforementioned 10% limit are (i) shares that have previously been or are simultaneously being sold or issued (with the disapplication of pre-emption rights) during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued (with the disapplication of pre-emption rights) by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

The Board of Management is further authorized, with the consent of the Supervisory Board, to specify the further content of the share rights and the terms of the share issue for implementing any capital increases under authorized capital 2025/l.

The Supervisory Board is authorized to amend the wording of the Statutes after a share capital increase has been carried out in full or in part by exercising authorized capital 2025/l and after the authorization period has ended.

Authorization to issue convertible bonds and/or warrant-linked bonds / conditional capital 2025

On May 8, 2025, the Board of Management was authorized by the Annual General Meeting, subject to the consent of the Supervisory Board, to issue bearer and/or registered convertible bonds or warrant-linked bonds (together referred to as »bonds«) on one or more occasions until May 7, 2030 up to a cumulative principal value of €125,000,000 with or without a limited maturity term and to grant the holders/creditors of bonds conversion or option rights to obtain new no-par-value bearer shares of the Company with a value of up to €71,046,097.92 of the share (rounded, this equates to 20% of the Company's existing share capital at the time at which the notice of the Annual General Meeting was submitted to the Federal Gazette) in accordance with the detailed terms and conditions of these bonds. Bonds may be issued in return for cash or non-cash contributions.

The bond or warrant terms and conditions may also provide for a conditional or unconditional obligation to convert the bonds or exercise the option on maturity or at an earlier date or when a specific event occurs.

The creation of conversion rights and/or option rights or obligations on the basis of the authorization is permitted only if – taking account of other shares to be included – the conversion and/or option rights or obligations created do not in total exceed 40% of the share capital. This limit is determined by the share capital of the Company at the time the authorization takes effect or – if lower – at the time this authorization is utilized. Included in the aforementioned 40% limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of other authorizations; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

Existing shareholders generally have pre-emption rights. The bonds may also be transferred to banks, securities institutions, or a company operating under section 53 (1) sentence 1 or section 53b (1) sentence 1 or section 53b (7) KWG subject to an undertaking by the bank(s), securities institution(s), or company to offer the shares to existing shareholders (indirect pre-emption right). The Board of Management is authorized – subject to the consent of the Supervisory Board – under certain conditions and within defined limits to disapply the pre-emption right of existing shareholders, including in the case of issuance against non-cash contributions and cash payments, unless the issue price of the bonds is substantially below the hypothetical market price.

Any issuance of bonds in disapplication of the pre-emption right as set out in this authorization is permitted only if the value of the new shares to be issued upon conversion of such a bond or conversion and/or option rights or obligations, expressed as a proportion of the Company's share capital, does not exceed 10% of the share capital. This limit is determined by the share capital of the Company at the time this authorization takes effect or – if lower – at the time this authorization is utilized. Included in this 10% limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of another authorization where pre-emption rights are disappplied; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

Pursuant to article 4 (4) of the Statutes of DEUTZ AG, the share capital is conditionally increased by up to €71,046,097.92 by issuing up to 27,752,382 new shares. The conditional capital will only be increased to the extent to which the holders of convertible bonds or of warrants from warrant-linked bonds that are issued by the Company or a subsidiary on or before May 7, 2030 on the basis of the authorization granted to the Board of Management by the Annual General Meeting on May 8, 2025 exercise their conversion/option rights or – if they have a conversion obligation or an obligation to exercise the option – fulfill such obligation, and provided that no other means are used to satisfy such rights and/or obligations. The new shares shall be issued at the conversion or option exercise prices to be determined in each case in accordance with the aforementioned authorization resolution as set out in the bond/warrant terms and conditions (conditional capital 2025). The shares issued on the basis of this provision entitle their holders to a share of the Company's profits from the beginning of the financial year in which they are created. The Board of Management is authorized, subject to the consent of the Supervisory Board, to decide on the finer details for implementing the conditional capital increase.

Authorization to purchase and use treasury shares pursuant to section 71 (1) no. 8 AktG and to disapply pre-emption rights and rights to tender shares, and to retire treasury shares

The Board of Management was authorized by the Annual General Meeting on April 27, 2023, subject to the consent of the Supervisory Board, to purchase treasury shares on or before April 26, 2028 in an amount equating to up to a total of 10% of the Company's share capital in existence when the resolution is adopted or – if lower – of the Company's share capital in existence at the time the authorization is exercised. The shares purchased on the basis of this authorization, together with other treasury shares that the Company has already purchased and still holds or which are attributable to

the Company pursuant to sections 71a et seq. AktG, must at no time account for more than 10% of the Company's share capital.

The Board of Management was authorized, with the consent of the Supervisory Board, to use the treasury shares purchased on the basis of this authorization:

They may be sold via the stock market or by means of a public offer to all shareholders upholding the principle of equal treatment (section 53a AktG).

They may also be sold by other means than via the stock market or a public offer to all shareholders, if they are sold for cash at a price that is not more than 5% below the average (arithmetic mean) of the closing prices of the shares in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the last three trading days before the obligation to sell the shares is entered into. The shareholders' pre-emption right to the purchased treasury shares is thereby disapplied. The total value of the treasury shares sold under disapplication of pre-emption rights must not exceed 10% of the share capital, whether based on the value of the share capital at the time this authorization comes into effect or the value at the time the authorization is utilized. Included in this 10% limit are (i) shares that have previously been or are simultaneously being sold or issued during the term of this authorization on the basis of another authorization where pre-emption rights are disapplied; also to be included are (ii) shares that are being or must be issued in order to service bonds with conversion rights, option rights, or conversion or option obligations in so far as these bonds have previously been or are simultaneously being issued by the Company or a direct or indirect majority shareholding of the Company during the term of this authorization on the basis of an appropriate authorization.

The purchased treasury shares can also be retired without the need for the Annual General Meeting to adopt a further resolution on the retirement or its implementation. No-par-value shares may be retired with or without a capital reduction. If the no-par-value shares are retired without a capital reduction, the other shares will make up a larger proportion of the share capital in accordance with section 8 (3) AktG. In this case, the Board of Management alone is authorized to amend the number of shares of the Company that is set out in the Statutes (section 237 (3) no. 3 AktG).

Further disclosures

No bearers of shares have any special rights conferring authority to control the Company. Numerous employees have direct shareholdings in DEUTZ AG. DEUTZ AG is not aware of any restrictions affecting the direct exercise of rights of control in connection with these shares.

A consortium of banks has provided DEUTZ AG with a syndicated cash credit line of €250 million. Under the terms of the loan agreements, the lenders can demand that the outstanding loan be repaid within a specified period in the event of a change of control, i.e. one or more people acting jointly acquire a direct or indirect shareholding of at least 50% of all shares and/or voting rights in DEUTZ AG. This condition also applies to a long-term loan of €90 million and a bilateral line of €25 million. Further bilateral credit agreements covering a sum of €115 million stipulate that, in the event of a change of control, a mutually acceptable arrangement must be reached regarding the continuation of the credit agreement, if necessary under different terms. If DEUTZ AG needs to repay a considerable proportion of the loans prematurely in the event of a change of control, it needs to raise the necessary funds some other way in the short term.

A number of contracts that are important to DEUTZ AG entitle the other party to terminate the contract in the event of a change of control.

The service contracts of Board of Management members concluded in view of the new provisions in the German Act Implementing the Second Shareholder Rights' Directive (ARUG II) and in the German Corporate Governance Code (DCGK) do not, in accordance with the suggestion in article G.14 DCGK, provide for any termination benefits if the service contract is ended prematurely as the result of a change of control.

The previous long-term incentive plans (LTI), under which the highest level of senior management in the DEUTZ Group (executives and managing directors of major subsidiaries) have been granted virtual options that they can exercise after a vesting period and upon achievement of certain performance targets [See also](#) 'Notes to the consolidated financial statements', p. 196 contain the following provision in the event of an entity – either alone or acting jointly with an affiliated company – acquiring a minimum of 50% of the shares in DEUTZ AG: Provided one of the performance targets has been achieved, the LTI participants may exercise their options within a short time frame after the acquisition, even if the vesting period has not yet expired. Since 2021, a new LTI has been in use whose structure reflects that of the LTI used for the Board of Management and no longer contains such a provision. This LTI applies to new and existing members of the highest level of senior management. DEUTZ AG has no indemnification agreements with employees that would come into force in the event of a takeover bid.

Explanatory statement by the Board of Management in connection with sections 289 a and 315 a HGB

The disclosures contained in the combined management report and management report pursuant to sections 289a and 315a HGB relate to arrangements that may be significant in the success of any public takeover bid for DEUTZ AG. It is the opinion of the Board of Management that these arrangements are normal for publicly traded companies comparable with DEUTZ AG.

Risk report

Across the world, the political, economic, and regulatory conditions in the individual markets are in a constant state of rapid change. Companies must be able to act quickly and react even more quickly if they are to ensure their long-term survival. DEUTZ operates in a variety of industries and regions worldwide and manages its business through various organizational units. The new organizational structure introduced on January 1, 2026 brought related operating activities together into strategic business units. These business units are fully responsible for their performance and have full profit-and-loss responsibility. They manage relevant functions and regions via a matrix organization, with the stated aim of being able to take faster and more market-oriented decisions. Strategic direction is provided by the newly established Executive Team, consisting of the Board of Management together with the heads of the business units and of Strategy, Transformation, and HR.

The DEUTZ Group's objective is to generate profits on a sustained basis and to increase these profits significantly over the medium and long term in order to develop the Company and secure its future competitiveness. In the face of increasingly complex corporate structures and growing internationalization, it is essential to identify and assess risks to the business at an early stage and to take corrective action where required. DEUTZ has an appropriate risk management system (RMS) to ensure it can meet this requirement to the fullest possible extent.

Risk management system

The basic principles, monitoring standards, personnel responsibilities, functions, and procedures in the financial risk management system have been defined by the Board of Management of DEUTZ AG and summarized in a manual that is continually updated. A systematic reporting structure provides the basis for the work of the Risk Management Committee and ensures that all material financial risks are documented and communicated, and that appropriate corrective action is taken and documented at an early stage. The RMS heightens the employees' sense of responsibility and raises their awareness of potential or existing risks. Policies and specific procedures are drawn up to help everyone involved to identify, analyze, and communicate risks in good time and initiate effective corrective action.

The DEUTZ Group conducts risk inventories four times a year. These risk inventories are carried out in all of the Company's business units with subsidiary functions or areas of business and in the material affiliated companies to identify whether new risks have emerged or existing risks have changed relative to those in the Company's current short-term and medium-term planning. The identified risks are categorized by importance, based on estimated probability of occurrence and potential impact. At the same time, a review is carried out to

establish whether and how action that has been agreed and implemented has successfully minimized known risks or whether there is a need for further action. Tail risks are documented at least once a year as well. These are risks to the Company's survival as a going concern that have a very low probability of occurring. The Risk Management Committee analyzes the risks and the progress of the action that is being taken to minimize them and reports to the Board of Management on the results of the risk inventory. At the same time, the Board of Management is presented with a risk aggregation. A risk-bearing capacity statement focused on the Company's equity and liquidity is also shown to the Board of Management on an ad hoc basis, but at least every quarter.

To enable the Company to respond promptly at all times to any possible risks that may arise, the DEUTZ Group's risk officers and their staff are under an obligation to submit immediate reports to the risk coordinator detailing any new material risks or if there is an increase in the threat from risks that are already known. These reports are separate from the regular reporting requirements. The risk coordinator promptly notifies the Board of Management accordingly.

The RMS documents both risks and opportunities, maintaining a strict separation between the two.

To assess whether it is functioning efficiently, the DEUTZ Group's system for the early identification of risks pursuant to section 91 (2) AktG is audited annually by the independent auditor and additionally at regular intervals by Corporate Audit, based on the RMS risk control matrix.

RISK MANAGEMENT WITH REGARD TO FINANCIAL INSTRUMENTS

Basic principles Owing to its global business operations, the DEUTZ Group is exposed to various financial risks that can arise from adverse movements and trends in the international sales, procurement, interest-rate, and foreign-exchange markets. The Group's overarching risk management strategy is designed to mitigate potentially negative effects on financial position and financial performance. The management and early identification of financial risks is based on annual financial planning, together with updates and regular analyses of variances during the year. Financial management in the Group is the responsibility of DEUTZ AG as the parent company.

The Treasury department identifies, measures, and hedges financial risk in close collaboration with the Group's operating segments. The Board of Management specifies principles for the Group's overarching risk management strategy as well as guidelines for certain aspects, such as how to manage currency risk, interest-rate risk, and credit risk and how to hedge them using derivative and non-derivative financial instruments. The Finance Committee, which meets every quarter, or on an ad hoc basis as required, provides a forum at which operational issues relating to risk management and other financially relevant decisions are discussed. The Finance Committee consists of the Chief Financial Officer plus the Head of Corporate Finance and a further representative of the Treasury department.

The objective of risk management is to mitigate fluctuations in earnings and cash flows caused by volatility in interest rates, exchange rates, and prices for raw materials. Derivative financial instruments are used only for hedging purposes, i.e. only in connection with corresponding underlying transactions arising from the Group's ordinary business activities or financial transactions that have a countervailing risk profile to that of the hedging transaction. The nature and scope of the hedged items are specified in a binding financing directive.

DEUTZ works exclusively with leading banks in order to minimize counterparty risk.¹¹⁶ The Treasury department manages the lines of credit in accordance with the Group's financing principles. Subsidiaries are funded primarily by DEUTZ Group loans. DEUTZ manages the financial risk as follows:

Risk from bad debts DEUTZ protects itself against the risk of bad debts by continually monitoring its situation through electronic and other means and by regularly analyzing receivables and their breakdown. The Company takes out credit insurance to cover a large proportion of its receivables where payment for goods has not been received in advance or is not covered by a letter of credit. It also conducts creditworthiness checks on new customers and monitors existing credit limits on an ongoing basis.

Currency risk arising from operating activities Currency risk, primarily in regard to US dollars, which arises as a result of transactions with third parties denominated in foreign currency, is monitored by means of a central currency management system and mitigated by the use of derivative financial instruments. The DEUTZ Group's net currency exposure is normally hedged by forwards equivalent to 50% to 80% of open items. DEUTZ is also taking specific action to increase the volume of purchasing in US dollars; this enables the Company to counteract exchange-rate risks from sales invoiced in US dollars by way of natural hedging.

¹¹⁶ The risk that a counterparty, i.e. a contractual partner, does not fulfill its contractual obligations in full or in part.

Interest-rate risk arising from funding arrangements The DEUTZ Group is exposed to risk from interest-rate changes, above all in relation to floating-rate loans and other loans that it has taken up.

Liquidity risk The funding agreements concluded provide the Company with adequate liquidity for its further development. During the term of an agreement, DEUTZ AG must ensure that the DEUTZ Group complies with certain financial covenants (ratio of financial debt to equity and to EBITDA). These agreed financial covenants allow sufficient financial leeway in line with the medium-term balance sheet planning and profit planning. If, however, there is a dramatic deterioration in the general economic situation – for example because of pandemics or unexpectedly severe escalations in geopolitical crises (e.g. Taiwan, Ukraine, Middle East, Greenland, or South America) – there is a risk of the covenants being breached in the short term. Should such a risk materialize, DEUTZ would approach its funding partners at an early stage in order to negotiate the necessary waiver and to enable further amounts to be drawn down under the syndicated loan. In the event of a liquidity crunch, additional lines of credit would be negotiated or factoring would be extended. [See also](#) 'Financial risk management', Note 28, p. 246 onward. In addition, two ESG¹¹⁷ performance indicators (improvement in the recordable incident rate¹¹⁸ and reduction in CO₂ emissions) derived from the sustainability strategy established in 2019 must also be taken into account in the financing agreements. In accordance with the measures already planned, the Company expects to achieve the forecast improvement in these indicators over the term of the financing. However, there is a risk that this improvement will not be achieved. In this case, the interest on the loan would increase slightly.

RISK ASSESSMENT

The assessment of risks in the DEUTZ Group is based on the estimated probability of occurrence in conjunction with the potential impact of the risk on the business objectives. A »best case«, »mid case«, and »worst case« are considered for the assessed risks. In the following risk report for the DEUTZ Group, the risks are categorized as either »low«, »moderate«, or »high«. Risks that have been classified as »low« would be expected to have a small impact of up to €10 million on financial position and financial performance. Risks classified as »moderate«, however, would have a significant impact, of between €10 million and €50 million, and risks classified as »high« would have a major impact, of over €50 million, on financial position and financial performance. Risks to the Company's survival as a going concern are described as such.

DEUTZ Group: Risk assessment

Probability of occurrence (%)	80–99	low	moderate	moderate	high	high
	60–79	low	moderate	moderate	high	high
	40–59	low	moderate	moderate	moderate	high
	20–39	low	low	moderate	moderate	moderate
	1–19	low	low	low	moderate	moderate
			low (€ 0.5–10 million)	moderate (> € 10 million)	significant (> € 25 million)	critical (> € 50 million)
Impact						

RISK

As with the internal risk reporting, the following presentation of the current risk situation is focused on the risk factors that are relevant to the DEUTZ Group's financial position and financial performance. These risk factors consist of the risks that were categorized as »low« or higher before taking into account any measures to counter that risk. In contrast to the internal risk management, the risks in the following description are aggregated by risk category.

Unless otherwise stated, the risks refer to the relevant expected value for 2026, weighted by probability, that remains after existing and effective measures and checks have been carried out.

If not explicitly stated, the assessment of the risk is unchanged from the prior year.

¹¹⁷ Environmental, social, and corporate governance.

¹¹⁸ Number of reportable accidents at work per year per million hours worked. An accident is deemed reportable if it occurs during working hours on the Company's premises while an insured activity is taking place and results in an absence of more than three calendar days.

MARKET RISK

Geopolitical events, a growing number of trade disputes, and the emergence of new competitors can all influence the macroeconomic environment and its prevailing trends, particularly with regard to interest-rate changes and inflation. In this context, there is a risk that price increases on the purchasing side, which may arise as a result of inflation, cannot be passed on to customers. Given that DEUTZ operates in international sales markets, the aforementioned developments and events could have a negative impact on the financial position and financial performance of the Group. As well as having a direct effect on unit sales and revenue, this may also impact negatively on the value of assets on the balance sheet. DEUTZ operates in very cyclical markets – particularly with regard to the Engines segment, which is currently the strongest revenue driver. This encompasses the Construction Equipment and Material Handling application segments and the principal sales regions of Germany, western Europe, and North America. The objective is to mitigate this cyclicity from a regional, application segment, and product-strategy perspective in order to further reduce its negative impact on business performance. To this end, DEUTZ is putting itself on an increasingly diversified and thus more resilient footing. At the core of the business transformation is the expansion of the business units that are less cyclical – DEUTZ Service, DEUTZ Energy, and DEUTZ Defense – with a focus on a targeted buy-and-build strategy and on partnerships. The latter also applies to the Engines business unit, which is being enhanced on an ongoing basis through the integration of partner engines, for example, and to the NewTech business unit. [See also](#) 'Strategy and objectives', p. 39 onward. In the medium and long term, DEUTZ seeks to mitigate regional and application-related sales risks by entering into long-term supply agreements.

DEUTZ is very well diversified and positioned for the future in terms of its geographical presence and the sectoral distribution of its customers. Furthermore, the Company supplies the market-leading manufacturers in the various application segments and is expanding its customer base on an ongoing basis. Active management of orders, inventories, and stock levels is used to mitigate volatility in the markets.

Looking ahead to 2026, DEUTZ expects economic uncertainties to persist, which could have a negative impact on customer demand across all segments. There is a risk that the market recovery anticipated in the Engines business unit may fail to materialize in the second half of the year. At the same time there is also a risk that DEUTZ will not be able to implement price increases as planned. This risk is countered by a differentiated pricing strategy.

In addition, the impact of geopolitical events on trade policy could result in new regulatory requirements or create additional challenges owing to changes to customs arrangements. This could adversely affect the achievement of financial targets. The current tariff situation, including the most recent changes in US tariffs, has already been factored into the financial planning. The potential implications of changes in import and export tariffs were a focus topic in groupwide risk management in 2025 and were closely monitored throughout the year. Tariff risks were assessed regularly and addressed in the competent risk committees because they can influence both cost structures and unit sales margins. Because the trading environment remains volatile, this risk will continue to be closely monitored going forward. At the same time, however, the actions already taken demonstrate that the tariff situation is manageable from a current perspective, and DEUTZ is appropriately prepared for further potential developments.

Despite the countermeasures taken, it is impossible to completely control external risks. In view of the measures in place, DEUTZ continues to categorize the level of market risk with regard to the attainment of its targets as »moderate« for 2026.

STRATEGIC RISK

The DEUTZ Group's strategy mainly focuses on increasing its resilience and establishing a secure footing for the future by broadening its positioning. To this end, the Group is continually driving the expansion, in particular, of its fast-growing and less cyclical Energy, Defense, and Service business units. At the same time, however, it is consistently enhancing its traditional internal combustion engine business with a focus on markets, areas of application, and power outputs where the internal combustion engine will remain indispensable in the long term. In pursuit of its overarching objective of pioneering carbon-neutral drive systems for off-highway applications, DEUTZ is also pressing ahead with the advancement of its NewTech portfolio. DEUTZ focuses not only on electrification but also, in particular, on the development of system solutions for applications that can run on a zero-carbon basis by using sustainable energy sources such as hydrogen and eFuels. [See also](#) 'Strategy and objectives', p. 39 onward, 'Research and development', p. 44 onward, and 'Research and innovation', p. 145 onward.

The product strategy presents numerous opportunities but is, of course, also associated with risks. For example, new product developments may not be as well received by customers as predicted or may not be able to compete with rival products. There is also the risk that market and price positioning may change in unexpected ways despite careful evaluation. Strategic decisions related to product collaborations and M&A activities can have an adverse impact on the financial position or financial performance due to market volatility, delays, and integration challenges.

DEUTZ attempts to mitigate the aforementioned risks in various ways, such as precisely analyzing the trends in relevant markets, for which it also draws on external market research. In addition, it enters into close alliances with major customers, long-term supply agreements, and strategic development partnerships. And where appropriate, DEUTZ is continuing to expand its inhouse capabilities by making targeted acquisitions and strategic investments.

Within this context, there is always the risk that strategic projects do not progress as anticipated or are delayed. They are therefore closely monitored so that DEUTZ can respond to changes immediately.

In view of the measures in place, the level of strategic risk with regard to the attainment of the financial targets continues to be categorized as »low« for 2026.

OPERATIONAL RISK

Procurement risk Supply shortages at suppliers may lead to delays in DEUTZ's own deliveries or even production downtime if there are no alternative sources of supply. This would adversely affect earnings.

Risks also arise in connection with the general economic and political situation and the associated paradigm shift within the automotive industry. For example, any supplier insolvencies, factory closures, or discontinuation of products could have a negative impact on the supply chain. Moreover, the DEUTZ Group's earnings could be further dented if logistics and material costs are pushed up by trade disputes, by longer replenishment lead times for bought-in parts, by suppliers increasing prices, and by bottlenecks in freight and warehouse capacity. [See also](#) 'Procurement market', p. 50 onward.

DEUTZ seeks to mitigate the aforementioned risks by carrying out intensive supplier management, by regularly negotiating with its suppliers, and by monitoring the market on an ongoing basis. [See also](#) 'Purchasing and procurement', p. 48 onward.

There are essentially three cornerstones to the DEUTZ Group's procurement strategy for strategic and production-critical components: firstly, long-term supplier relationships and supply agreements; secondly, the increased use of second-source suppliers that are independent of each other; and, thirdly, where required, inhouse production and/or allocation of production to subcontractors. DEUTZ relies on a balanced supplier network comprising both European and global suppliers. These measures minimize the procurement risks and secure the required capacity to the greatest extent possible. In the event that suppliers charge higher prices, DEUTZ has established a process to spread the burden of rising costs.

In view of the measures in place, the level of procurement risk with regard to the attainment of the financial targets is categorized as »low« for 2026 (previously »moderate«).

Production risk There is a risk that fluctuations in capacity utilization in production will have a negative impact on profitability. This may result from the cyclicity of the business model or from production downtime caused, for example, by delays to production as a result of shortages of materials, disruptions to supply chains, environmental factors, or other issues.

In order to avoid mistakes in planning and capital expenditure, the necessary production capacity is regularly reviewed and planned using different timescales: over a number of years as part of the medium-term planning process, which is revised each year, and for the following financial year as part of the budget planning process, which is then updated quarterly for the current year. Furthermore, production program meetings and capacity planning meetings are held monthly to ensure that capacity is adjusted in line with orders on hand. Where required, temporary employment contracts are increasingly being used in order to ensure greater flexibility.

In view of the measures in place to avoid or minimize these risks, the level of production risk with regard to the financial targets continues to be categorized as »low«.

Quality risk The DEUTZ Group is exposed to liability and warranty risks. Potential warranty claims and claims for compensation could have a negative impact on financial position and financial performance. In addition, a change of supplier or the relocation of a supplier's operations presents a risk in terms of supplier quality.

All DEUTZ plants and all other relevant areas of the Group have local quality departments in order to ensure quality. These departments systematically analyze sources of errors and defects, optimize production processes, and take action to minimize the risk in production start-ups, thereby reducing warranty risks. A central quality management organization ensures that standardized processes and methods are in place and carries out regular audits. In addition, DEUTZ has defined uniform standards for the selection of suppliers and, in close cooperation with the suppliers, continuously improves the quality of supplied parts. Regular certification audits and additional quality initiatives also enable DEUTZ to handle the significant technical complexity of drive solutions and to satisfy the steadily increasing quality requirements of customers.

DEUTZ has recognized sufficient provisions on the balance sheet to account for warranty risks. In view of the precautionary measures that have been taken, any further quality risks that could negatively impact on the financial targets continue to be categorized as »low« for 2026.

OTHER RISKS

Cyber risk DEUTZ is a technology-driven company that is heavily focused on research and development. It regards the continuing development of the DEUTZ portfolio with a focus on sustainable drive solutions as a competitive advantage that will form the basis of its long-term success. However, there is a risk that strictly confidential information, particularly concerning new technological insights or partnerships in research and development, could find its way to competitors through illegitimate means. As well as the loss of confidential information, it is conceivable that forged documents could be used to siphon off capital without authorization. In addition, technical defects or IT system outages could have a negative impact on market position and on financial position and financial performance. This is also true of potential cyberattacks and the harm resulting from such attacks, which could lead to financial loss or reputational damage.

DEUTZ has put a series of measures in place to protect against cyber risk. As well as taking out insurance against cyber risk and providing regular security training for employees, these include security measures for computer hardware and software and the management of defined IT security guidelines. In view of the precautions that have been taken, DEUTZ continues to categorize the level of cyber risk as »low«.

Legal and compliance risk As a Group with multinational operations, DEUTZ is subject to a multitude of regulations under tax, competition, and patent law as well as to other legal and regulatory requirements. Existing and potential legal disputes, along with possible infringements of the law, are therefore recorded and analyzed on an ongoing basis; they are assessed in terms of their legal and financial impact and an appropriate amount is recognized on the balance sheet in the form of risk provisions. The outcome of legal disputes and proceedings is inherently uncertain, however. This means that there are further risks, not accounted for through provisions on the balance sheet, that could negatively impact on the financial targets.

Groupwide standards such as the general terms and conditions of business, sample contracts for various uses, and implementation provisions in the form of organizational policies are refined on an ongoing basis and reduce the level of new legal risk at DEUTZ. The Legal Affairs department and external attorneys are also regularly consulted about projects and the signing of contracts that fall outside the scope of the standards developed for day-to-day business.

Based on the current status of ongoing cases and in view of the measures that have been taken to either avoid or minimize risk, DEUTZ continues to categorize the level of legal risk as »low«.

OVERALL ASSESSMENT OF THE RISK SITUATION

DEUTZ uses its RMS to identify and evaluate material risks on an ongoing basis. Appropriate action is taken to manage these risks and, as far as possible, bring them under control. Changes in material risks are monitored regularly at Group level. Currently, the DEUTZ Group has not identified any risks that either individually or in aggregate could jeopardize the continued existence of the enterprise as a going concern.

Because of the precautions that have been taken and its position in the market, DEUTZ is confident in its ability to successfully manage the existing risks and overcome the resulting challenges. Overall, the Company's risk-bearing capacity in terms of equity and liquidity is assured.

ASSESSMENT OF THE APPROPRIATENESS AND EFFECTIVENESS OF THE FINANCIAL RISK MANAGEMENT SYSTEM¹¹⁹

DEUTZ's financial risk management system is designed to mitigate potentially negative effects on the Company's financial position and financial performance. The management and early identification of financial risks is based on annual financial planning, together with updates and regular analyses of variances during the year.

The RMS is regularly reviewed and updated as part of a continuous process of improvement. This ensures that risk is managed consistently at all levels of the Company.

DEUTZ routinely analyzes the appropriateness and effectiveness of its financial risk management system. The adequacy of the RMS is manifested in a number of crucial aspects. These include a methodical risk assessment, the consistent creation of risk awareness within the Company, the involvement of all subsidiaries, a close link between the RMS and Company-wide planning, the clear definition of risk-bearing capacity, the consideration of new regulatory requirements, and the systematic integration of extreme risks.

¹¹⁹ Not audited.

Various mechanisms are in place to ensure the effectiveness of the RMS. The focus is on the consistent tracking of mitigation measures, including checks to monitor their effectiveness, the clear assignment and exercise of responsibilities in risk management, and quarterly reporting.

The ongoing analysis of actual financial loss compared with the forecast risks shows that risks are identified at an early stage in the Company and that the mechanisms in place are effective. For this reason and due to the aforementioned aspects, DEUTZ regards its financial RMS as appropriate and effective.

INTERNAL CONTROL SYSTEM¹²⁰

DEUTZ AG has established a comprehensive corporate governance system with the aim of identifying, mitigating, and avoiding risks. In addition to the RMS described above, this consists of the compliance management system (CMS), Corporate Audit, and the internal control system (ICS). Whereas the RMS focuses on the identification, analysis, assessment, communication, and management of risk, the ICS aims to avoid or limit risk through process-integrated and process-independent monitoring mechanisms. The ICS thus covers major corporate risks that are inherent in processes and is designed to reduce them to at least a tolerable level. It is a management system designed to detect risks and prevent them from occurring. One of its other functions is to help to ensure that business processes can be carried out as intended.

The ICS of DEUTZ AG has three main objectives:

- Reducing or avoiding operational risks in ICS-relevant business processes that could jeopardize the Company's business operations
- Raising employees' awareness of risks and creating an additional incentive to adhere to laws, codes, and policies
- Establishing a control environment that makes reporting more accurate and reliable

Section 91 (3) AktG requires the boards of management of listed companies to put in place an ICS and an RMS that are appropriate and effective in light of the scope of the company's business activities and in light of its risk situation. The member of DEUTZ AG's Board of Management responsible for central management of the ICS is the Chief Financial Officer. His responsibilities include making decisions about the scope of the methodology, guidelines, and structures of the ICS and about its ongoing refinement. They are developed by the head of the central ICS management team and defined as ICS standards. The ICS standards therefore constitute uniform structures and rules for the ICS. The head of the central ICS management team also communicates the ICS standards within the Company and is responsible for the related reporting to the Chief Financial Officer. The Chief Financial Officer is responsible for reporting on the status of the ICS to the Supervisory Board's Audit Committee.

The ICS management team is responsible for the operational implementation of the ICS standards in the relevant business processes and business units and for advising the business units. In this context, it works closely with the people in charge of the units, processes, and controls that are of relevance to the ICS.

As a process-independent monitoring body, Corporate Audit reviews the appropriateness and effectiveness of the ICS. The findings of these reviews are reported directly to the Board of Management and the ICS management team and allow DEUTZ to eliminate any deficiencies that have been identified and ensure that the ICS is continually refined.

The ICS approach at DEUTZ AG is risk-oriented. Accordingly, business units and business processes that are of material importance to DEUTZ AG are analyzed and documented. This analysis encompasses not only accounting-related processes but also operational and sustainability-related processes. The risks inherent in each business process of relevance to the ICS are identified. Internal controls are used to reduce these identified risks to a level that is acceptable to DEUTZ. A verifiable ICS requires that the ICS and associated risks, control objectives, control activities, and responsibilities are documented. This is done using the risk control matrices, which are created centrally and managed by the ICS management team. The ICS documentation is supplemented by procedural instructions, process descriptions, and guidelines.

¹²⁰ Not audited.

The ICS is characterized by the following design features:

- The control environment describes the framework within which the principles, processes, and mechanisms of the system are applied. The ICS thus reflects senior management's fundamental attitudes, awareness of the issues, and conduct with regard to the ICS.
- The risk assessment comprises the identification, analysis, and qualitative evaluation of relevant risks.
- The controls refer to those mechanisms and processes that are intended to ensure that the identified risks are either appropriately managed or reduced.
- Information and communication are factors that affect all other aspects of the ICS. They ensure that information relating to the ICS is obtained, processed, and forwarded to the relevant departments in the Company in an appropriate and timely manner. DEUTZ AG's ICS is documented in a way that should enable a qualified third party to understand the processes and the embedded controls and therefore to fully comprehend the associated inherent risks.
- Routine monitoring is carried out to ensure that the ICS is functioning effectively.

The requirements placed on the centrally defined ICS methodology may change, for example due to findings from audits or changes to legislation. The necessary changes are drawn up by the head of the central ICS management team and, once approved by the Chief Financial Officer of DEUTZ AG, communicated to all affected business units so that they can implement them.

However, a properly designed ICS is bound by system-inherent limits and can only provide relative – but not absolute – security when it comes to avoiding material risks and achieving targets. Market risks, such as sudden changes in customer demand, or geopolitical risks, such as temporary disruption of supply chains, are examples of external shocks whose effects cannot be completely mitigated.

ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM

The approaches and design features of the ICS described in detail above also apply to the accounting-related ICS.

The accounting process includes those parts of the operating processes that contain the financial reporting value flows, the process for preparing the annual and consolidated financial statements, and all information sources and processes from which the significant disclosures in the annual and consolidated financial statements are derived.

Various monitoring mechanisms and risk-specific internal controls are in place to ensure that accounting is carried out properly and to ensure that the consolidated financial statements are correctly and consistently prepared. The controls include IT-supported and manual reconciliations, monitoring controls, and general IT controls such as access rules for IT systems and change management, while the fundamental principles of separation of functions and having work checked by a second member of staff reduce the risk of fraudulent acts.

The consolidated financial statements are prepared on the basis of central specifications. The same consolidation software is used for all entities and follows a prescribed chart of accounts for the Group. Relevant requirements are documented in the Group Accounting Manual, communicated as appropriate, and, together with the groupwide schedule for the year-end closing, form the basis of the process for preparing the annual and consolidated financial statements. Ongoing analysis is carried out to determine whether the central specifications need to be modified due to changes in the regulatory environment. The reporting entities are responsible for adhering to the specifications; the Group Accounting department supports and monitors them. The data reported to the DEUTZ's Group Accounting department by the subsidiaries is analyzed and validated on an ongoing basis as part of the monthly financial reporting process. Where necessary, DEUTZ also uses external service providers, such as independent assessors of pension liabilities. The Group Accounting department ensures that these requirements are adhered to across the Group.

The results of the analysis of risks and controls are recorded in a risk-control matrix to ensure proper documentation of the ICS. The documentation of the ICS is supplemented by procedural instructions, process descriptions, and guidelines.

Besides discussing the annual and consolidated financial statements, the Audit Committee set up by the Supervisory Board regularly discusses the quarterly financial reporting. The Audit Committee's monitoring function covers the effectiveness of the ICS set up by the Board of Management as well as the accounting process itself.

As described above, the accounting-related ICS is also bound by system-inherent limits and can only provide relative – but not absolute – security when it comes to avoiding material risks, such as misstatements in the financial reporting.

ASSESSMENT OF THE APPROPRIATENESS AND EFFECTIVENESS OF THE INTERNAL CONTROL SYSTEM¹²¹

The ICS functions in a way that detects risks and seeks to prevent them from occurring, supports the management of risk in relevant business processes, strengthens corporate governance within the Company, and makes reporting more accurate and reliable. It encompasses the systems-based and technical measures and controls of DEUTZ AG.

Audit reviews contribute to the efficient monitoring of the internal control system. Based on the results of the reviews of the ICS by Corporate Audit, the Board of Management is unaware of any circumstances that would suggest the ICS is not essentially appropriate and effective. The system is, however, subject to ongoing optimization as part of a continuous process of improvement.

OPPORTUNITIES REPORT

DEUTZ operates in a fast-paced market environment. This is associated with the risks described above, which have the potential to impact negatively on the attainment of its business objectives. However, it also presents opportunities that could have a positive effect on achieving the objectives of the Group for 2026 and beyond. For example, it should be regarded as an opportunity that particular events or developments may result in a positive deviation from the planned objectives for 2026. Identifying and harnessing these opportunities is the responsibility of the individual operating segments of the Group and the Board of Management.

OPPORTUNITY ASSESSMENT

In the DEUTZ Group, the assessment of opportunities is based on the estimated probability of occurrence in conjunction with the potential impact of the opportunity on the business objectives. As with the assessment of risks, a »best case«, »mid case«, and »worst case« are considered. In the following opportunity report for the DEUTZ Group, the opportunities are categorized as either »low«, »moderate«, or »high«. Opportunities that have been classified as »low« would be expected to have a small impact of up to €10 million on financial position and financial performance. Opportunities classified as »moderate«, however, would have a significant impact, of between €10 million and €50 million, and opportunities classified as »high« would have a major impact, of over €50 million, on financial position and financial performance.

Unless otherwise stated, the opportunities refer to the relevant expected value for 2026, weighted by probability.

Growth strategy As part of its overarching Dual+ strategy, DEUTZ is focusing on unlocking potential for growth in its five segments of Engines, Services, NewTech, Energy, and Defense & Other. [See also](#) 'Business model and segments', p. 38 onward.

In the engines business, the main focus is on expanding the market position and on taking advantage of opportunities arising from market consolidation. The service business will be continually expanded through digital offerings, increased customer loyalty, and targeted M&A activities.

DEUTZ is also broadening its service offering beyond engines to cover entire machines and is increasingly positioning itself as a provider of comprehensive maintenance and repair services for heavy machinery, such as mining equipment, trucks, and rail vehicles. In contrast, the NewTech business unit is focusing on developing alternative, low-emission drive solutions, while the Energy business unit is addressing the growing demand for decentralized power generation systems. Within this context, DEUTZ expects that the acquisition of Frerk Aggregatebau, a leading European provider of advanced emergency power systems for critical infrastructure such as data centers, will boost the expansion of its energy business in Europe and further consolidate its market position in the area of decentralized power generation. DEUTZ also continues to expand its defense business, based on an increase in international military modernization projects and the growing demands placed on resilient drive systems and energy systems. [See also](#) 'Strategy and objectives', p. 39 onward.

DEUTZ continues to categorize the level of strategic opportunity with regard to the attainment of the targets as »low« for 2026.

¹²¹ Not audited.

Market opportunities In our planning for 2026, we have anticipated a continuation of the challenging conditions due to economic uncertainties. If the market environment brightens during the year, additional growth opportunities will open up. [📄 See also](#) 'Forecast for 2026', p. 160 onward.

DEUTZ categorizes the level of market opportunity with regard to the attainment of its targets as »low« for 2026 (2025: also »low«).

Operational opportunities Given that the overall economic outlook remains subdued, the additional operational opportunities continue to be categorized as »low«. [📄 See also](#) 'Events after the reporting period', p. 259 onward.

Legal opportunities In view of the current status of ongoing cases and in view of the measures that have been taken, DEUTZ continues to categorize the level of legal opportunity as »low«.

GROUP SUSTAINABILITY STATEMENT

Foreword

This Group sustainability statement (»sustainability statement«) applies to the 2025 financial year, in other words, the period January 1, 2025 to December 31, 2025. It has been prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and sections 315b and 315c of the German Commercial Code (HGB) in conjunction with sections 289b to 289e HGB, and combines the reports of the parent company DEUTZ AG and the DEUTZ Group.

In accordance with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (»EU Taxonomy Regulation«), any company that is required to publish non-financial information pursuant to Article 19a or Article 29a of Directive 2013/34/EU must disclose in its sustainability statement how and to what extent its activities are associated with economic activities that qualify as environmentally sustainable in the sense of Article 3 and Article 9 of the EU Taxonomy Regulation. We disclose the relevant information as part of this sustainability statement.

📄 See also 'Disclosures pursuant to Article 8 of the EU Taxonomy Regulation', p. 119.

Reportable topics and framework The CSRD and the European Sustainability Reporting Standards (ESRS) provided the framework for this sustainability statement in accordance with section 315c (3) in conjunction with section 289d HGB.

In 2023/2024, we conducted a materiality assessment based on the principle of double materiality in accordance with the rules in ESRS 1. The aim of this assessment was to determine our material and thus reportable topics in compliance with the CSRD. Ahead of this year's reporting cycle, the results of the aforementioned materiality assessment were reviewed at the end of 2025. 📄 See also 'Materiality assessment and results based on the double materiality principle', p. 103. We found that no adjustments were required. The following four topics therefore continue to be material to us: climate change (ESRS E1), pollution (ESRS E2), occupational health and safety (ESRS S1), and research and innovation (DEUTZ-specific).

Reconciliation of the ESRS topics/disclosures to aspects pursuant to Section 289c (3) HGB

Aspect pursuant to Section 289c (3) HGB	ESRS pursuant to CSRD
Environmental issues	ESRS E1 ESRS E2
Employee issues	ESRS S1
Human rights	Aspects from ESRS S1
Social issues	Research & innovation
Avoidance of corruption & bribery	Aspects from ESRS S1
Other issues	Research & innovation

As only a review of the results of the most recent materiality assessment was conducted in 2025, the statements in the chapter »Materiality assessment and results based on the double materiality principle« relate to the process for the 2023/2024 materiality assessment unless indicated otherwise.

Content review On behalf of the Supervisory Board of DEUTZ AG, this sustainability statement was voluntarily submitted for an external review with limited assurance pursuant to ISAE 3000 (Revised). 📄 See the limited assurance engagement and the independent practitioner's report, p. 157.

The metrics disclosed in this sustainability statement have been, as a minimum, reviewed by the auditor as part of the limited assurance engagement in relation to the sustainability statement. Where a metric has also been validated by an external body, this is indicated for the relevant metric, including by which external body.

The metrics disclosed in this sustainability statement have been, as a minimum, reviewed by the auditor as part of the limited assurance engagement in relation to the sustainability statement. Where a metric has also been validated by an external body, this is indicated for the relevant metric, including by which external body.

General disclosures

Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

Basis of consolidation

This sustainability statement was prepared on a consolidated basis.

A complete list of DEUTZ AG's shareholdings as at December 31, 2025 can be found in the annex to the notes to the consolidated financial statements. [See 'Shareholdings of DEUTZ AG', p. 266 onward.](#)

DEUTZ continually analyzes its existing portfolio of business activities, investments, products, and services in order to ensure that it is properly prepared for the future. Its basis of consolidation expanded in 2025 in connection with the ongoing transformation of its portfolio. This means that there are differences between the basis of consolidation that applied in the 2024 sustainability statement and the basis of application that applies in the reporting for 2025. [See 'Main sites and basis of consolidation', p. 41 onward.](#) Furthermore, the basis of consolidation of this sustainability statement is not identical in all respects to the one used for the consolidated financial statements. The quantitative environmental information, for example, does not include any figures for the SOBEK Group, which was acquired in the second half of 2025. The same applies to the health and safety metrics reported under social information, which are labeled accordingly. The non-consideration of disclosures relating to the SOBEK Group has no material impact on the affected quantitative datapoints or their information value.

As a rule, qualitative disclosures pertain to the DEUTZ Group as a whole («we», »DEUTZ«, or the »DEUTZ Group«). Disclosures that relate only to DEUTZ AG or to specific facilities, production sites, or subsidiaries are also labeled accordingly.

The sustainability statement also covers the Company's upstream and downstream value chain, from the supplier to the customer. With regard to the materiality of the impacts, a distinction was made when identifying impacts, risks, and opportunities according to where they occur in the value chain. This distinction was also made in the calculation of metrics. When determining our emissions, for example, we

clearly differentiate between those generated upstream at the supplier, at our own plant, during transportation, or at the customer's premises. The scale in terms of policies, actions, and targets has not yet been taken into consideration.

In preparing this sustainability statement, we used the option to omit applicable specific information relating to intellectual property, know-how, or the results of innovation.

The headquarters of DEUTZ AG are located in Cologne (Germany) and consequently in an EU member state that does not grant an exemption from publishing upcoming developments or matters that are under negotiation, as permitted under Articles 19a (3) and 29a (3) of Directive 2013/34/EU.

Report content On the whole, this sustainability statement does not contain any disclosures that are voluntary under the CSRD and/or ESRS. As a rule, we do not provide any phase-in disclosures either. One of the primary exceptions to this rule is the presentation of comparative information.

Presentation of comparative information In this sustainability statement, we provide comparative information for all quantitative metrics and monetary amounts.

The comparative information provided in this sustainability statement does not differ from the information communicated in the previous period. In other words, the comparative information has not been revised retrospectively to reflect the expansion of the basis of consolidation in 2025 as this was impracticable.

Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

Unless indicated otherwise, we define our medium-term and long-term time horizons in this sustainability statement in accordance with the time horizons defined in ESRS 1, 77. b) and c). Accordingly, our medium-term horizon covers a period of up to five years and our long-term horizon a period of more than five years, in each case calculated from the end of the reporting period on which the financial statements are based.

Value chain estimation

Topic	Disclosure Requirement	Metric	Basis for preparation	Degree of accuracy	Planned actions to improve accuracy in the future	Page number
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from purchased goods and services Material composition of goods	Some of the material data were estimated and calculated using emission factors from the 'Ecoinvent' database	2- moderately accurate	Obtain material composition or product carbon footprint from supplier	113
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from transportation and distribution Safety margin of 10%	A safety margin was added to take account of any transportation not included	2- moderately accurate	No measure planned as conservative approach	113
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from the use phase of the products sold Extrapolation of real data by sales volume to 100%	Extrapolation on basis of recorded sales volume	1- accurate	No measure planned as already accurate	113

Sources of estimation and outcome uncertainty

Topic	Disclosure Requirement	Quantitative metric / quantitative monetary amount	Information about the source of measurement uncertainty	Assumptions made, approximate values and judgments underlying the valuation	Page number
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from purchased goods and services Material composition of goods	No material compositions of suppliers available	Estimates from purchasing, value analysis and controlling	113
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from transportation and distribution Safety margin of 10%	To ensure full coverage in the event that individual transports are forgotten	If transports have been forgotten, a safety margin has been added for a conservative calculation	113
ESRS E1 Climate change	E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	Scope 3 emissions from the use phase of the products sold Extrapolation of real data by sales volume to 100%	No full details in the engine data recording (Engine Cloud)	Permitted according to GHG protocol	113

Changes in preparation or presentation of sustainability information

There have been no changes in the preparation or presentation of sustainability information compared with the 2024 sustainability statement, except those resulting from the expansion of the basis of consolidation.

Reporting errors in prior periods

During the preparation of this sustainability statement and the calculation of the sustainability statement’s quantitative disclosures, one material error came to light in respect of the disclosures in the 2024 statement, indicated by a footnote for the relevant value.

Incorporation by reference

We have not made use of the option to meet disclosure requirements by incorporating information by reference. Where appropriate, we refer to other sections of the annual report to provide the reader with further information that is broadly related to our reportable topics.

Disclosure Requirement SBM-1 – Strategy, business model, and value chain

DEUTZ has evolved in recent years from a manufacturer of conventional drive systems into a system provider for innovative and sustainable mobility and energy solutions. Alongside its existing business activities centering on the development, production, and marketing of high-performance drive systems for off-highway applications, the Company is increasingly extending its portfolio to include alternative drive solutions and decentralized energy and power generation systems so that it can target new markets and play its part in the transition to more sustainable transportation and power supplies. DEUTZ is also forging ahead with the expansion of its defense business. The broad-based product portfolio is complemented by a rapidly growing global service offering that encompasses maintenance, repairs, spare parts, and remanufacturing. It is being continually expanded with the addition of digital, data-driven services. With around 1,250 sales and service locations in nearly 180 countries, DEUTZ offers its customers an integrated range of products and services from a single source.

In 2025, the Company's operating activities were divided into the DEUTZ Engines & Services and DEUTZ Solutions segments. The DEUTZ Engines & Services segment, which accounted for 91.1% of consolidated revenue in 2025, encompassed the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business. The DEUTZ Solutions segment included alternative drives as well as business activities that go beyond engine manufacturing and service. It was divided into the DEUTZ NewTech and DEUTZ Energy business units. DEUTZ NewTech covered electrified products, hydrogen internal combustion engines, battery management specialist Futavis, the business of UMS (a specialist in the electrification of off-highway and defense vehicles), and the associated service businesses. DEUTZ Energy focuses on decentralized energy supply. At its core are the business of genset manufacturer Blue Star Power Systems, which was acquired in 2024, and the genset business of DEUTZ subsidiary MagiDEUTZ.

Measured by revenue,¹²² the main groups of products and services that we offered in 2025 were internal combustion engines for off-highway applications and related services.

Our main regional sales markets are the EMEA region, with Germany as the strongest market in terms of volume of unit sales, as well as the Americas, Asia-Pacific, and China. The main customer groups that we serve are manufacturers of vehicles and machines used in the Construction Equipment, Material Handling, Agricultural Machinery, and Stationary Equipment application segments. [📄 See also](#) 'Business performance in the DEUTZ Group', p. 53, for more information on the respective shares of revenue.

As part of its portfolio expansion, DEUTZ acquired the SOBEK Group in early September 2025.¹²³ SOBEK is a leading manufacturer of powerful electric drives for a variety of specialized high-tech application areas, such as motorsports, healthcare technology, and aerospace (including military drones). This will give DEUTZ direct access to the rapidly growing defense market and enable it to make strategic inroads in this sector beyond the sale of conventional drive systems. The greatest potential currently lies in the military drone business, which is experiencing strong growth due to geopolitical developments and the increasing importance of unmanned defense systems.

Geographical areas	Employees ¹²⁴	
	2025	2024
Germany	3,872	3,213
Spain	478	574
USA	678	563
China	179	126
Chile	101	93
Morocco	87	91
France	95	85
Benelux	126	69
Italy	62	58
Austria	34	34
Australia	35	28
Poland	24	25
Singapore	29	25
Brazil	26	24
Sweden	25	23
Czech Republic	21	20
Russia	9	11
Ireland	10	11
Romania	9	9
Finland	10	9
India	10	7
Japan	7	7
Denmark	7	7
Korea	7	7

We are not aware of any bans on DEUTZ products in the sales markets in which we are active. Meeting all local standards, which in the case of internal combustion engines are primarily the applicable emissions standards, is a prerequisite for selling in the respective market.

The DEUTZ Group is not active in the fossil fuels sector, in the production of chemicals or controversial weapons, or in the cultivation and production of tobacco, and thus does not generate any revenue in these sectors.


¹²² Proportion of consolidated revenue: more than 10%.

¹²³ See the press releases dated September 2, 2025.

¹²⁴ As of December 31st of the respective year; figures in headcount.

DEUTZ is pursuing the overarching goal of achieving its financial targets while meeting its environmental, social, and corporate responsibilities, and of offering a climate-neutral product and technology portfolio by 2050. We are currently reviewing and optimizing our sustainability strategy with the aim of achieving this goal. We also intend to assess which are currently our most important products and services, as well as key markets and customer groups, in relation to sustainability goals. We will also take into consideration the most important future challenges that arise from our corporate strategy or that relate to, or have an impact on, sustainability matters.

Our core competencies mainly lie in the development, manufacture, sale, and servicing of drive solutions, in other words primarily engines that are predominantly used for off-highway applications. These off-highway applications include construction equipment, agricultural machinery, material handling equipment such as forklift trucks and lifting platforms, and stationary equipment such as gensets that are used for military and other purposes. DEUTZ engines are also used in military vehicles, while the electric drive systems of SOBEK (the DEUTZ subsidiary acquired in 2025) are used in applications such as military drones. However, SOBEK currently generates most of its revenue from drive and hydraulic systems for motorsports, other aerospace applications, and healthcare technology.

Our engine production comprises the manufacture of individual key components, assembly (including supply parts), and remanufacturing. Our production facilities and assembly plants are located in Germany, Morocco, Spain, the Netherlands, and the USA. The largest production facility is located at Group headquarters in Cologne.  See also 'Production and logistics', p. 49.

Furthermore, with around 1,250 sales and service partners in nearly 180 countries, we offer a comprehensive range of digital and analog services for our customers and their customers.

End-users of our DEUTZ engines, and of the applications in which our engines are deployed, include companies in the construction industry and logistics sector, agricultural businesses, and the military. End-users of our gensets,¹²⁵ particularly the gensets of our subsidiary Blue Star Power Systems, include aid organizations, the military, data centers, and telecommunications companies and hospitals that use electricity generators as a backup power supply.

DEUTZ engines are sold through direct business with OEMs¹²⁶ and via our network of independent, DEUTZ-certified dealers.

Only our service business and our SOBEK subsidiary have direct contact with, and a direct sales channel to, end customers and end-users.

We maintain business relationships with around 5,000 suppliers in over 50 countries. With a total purchasing volume of around €1.4 billion worldwide, our supply chain makes a significant contribution to our Company's value creation process. On average, an engine is made up of around 350 parts, of which around 70% – in terms of cost – are purchased parts. Purchased parts include valves, seals, conrods, injection systems, control units, pumps, camshafts, pistons, oil sumps, and cables. Based on revenue, our top ten suppliers for direct materials are based in Germany, China, Poland, the USA, the Netherlands, the Czech Republic, Spain, Italy, Slovenia, the UK, and Turkey.

The Procurement, Production, and Logistics units maintain a close dialogue and working relationship to ensure the efficient procurement of our inputs and optimal flow of materials, thereby safeguarding our outputs. We have also introduced a risk management system in Procurement that aims to minimize production risks due to supply bottlenecks, for example as a result of insolvencies or natural disasters.

We sold a total of 133,156 engines to our customers in the engine business in 2025, which are tailored to the customers' specific requirements and intended use in the respective application segment. Our comprehensive service offering, which includes the supply of spare parts and other digital and analog services, protects the benefits to our customers over the entire lifetime of the engines.

¹²⁵ A generator unit that generates electrical energy from available resources, primarily so that the equipment being powered is not dependent on the electricity grid.

¹²⁶ Original equipment manufacturer; Manufacturer from which another company purchases components for its own production operations and then sells them on under its own brand name or markets them without any branding.

By forging ahead with our Dual+ strategy, which includes transforming the portfolio, we are increasing our resilience and thereby ensuring that we can do business profitably even when economic conditions are challenging. This enables us to create added value for our investors, i.e. DEUTZ AG's shareholders. Our shareholders benefit from the success of the business in the form of dividend payments. Moreover, it can be assumed that a positive business performance is generally accompanied by a rising, or at least stable, share price, which also benefits our shareholders. At the same time, our employees benefit from a positive business performance because this is essential for secure jobs. Meanwhile, our suppliers benefit from long-term supply relationships.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

The DEUTZ Group has many stakeholders who are linked to the Company in various ways and influence its decisions. In addition to our employees, our most important stakeholders are our customers, suppliers, and shareholders, as well as institutional investors and analysts. We maintain a regular dialogue with them so that we can understand their interests and needs and factor them into our business decisions.

Employees: Our employees represent a very important group among the stakeholders affected by our business activities. For this reason, their interests, views, and rights, including respect for their human rights, actively influence our strategy and business model.

The interests of employees covered by the collective pay agreement of the metalworking and electrical engineering industry are represented by the works councils at the individual sites. A key task for these works councils is to monitor whether DEUTZ AG is fulfilling its responsibility to society as an employer. To enable them to perform this task, they are afforded the right to be informed about certain decisions and actions of the employer and to participate and have a say in them. HR matters such as working hours, pay, and occupational health and safety are among the key issues that are subject to this codetermination process. The works councils of DEUTZ AG therefore get involved in all employee-related matters regarding recruitment, remuneration, reassignment, and dismissal. Their primary objective is to agree mutually acceptable rules and arrangements for the matters at hand. The rights and obligations of the works councils in Germany are derived from the German Works Constitution Act (BetrVG). A dedicated works council represents the interests of the Spanish employees at the site in Zafra.

The particular interests of employees with disabilities or equivalent status are additionally monitored and protected by the disabled persons' representative and an Inclusion Officer. Performing a similar role to that of the works council, the disabled persons' representative ensures that DEUTZ AG adheres to the laws, collective pay agreements, and works agreements that are in place for disabled employees. DEUTZ also appointed an Equality Officer in 2024. She monitors compliance with our equality-related statutory obligations, offers advice on, and support for, equality and discrimination issues, and develops policies that boost employees' social skills and contribute to greater fairness and stability.

An elected Senior Staff Committee represents the interests of our senior managers.

Both the works council and senior managers also appoint representatives to the Supervisory Board. They thereby exercise their right of codetermination, including in relation to business decisions such as the ongoing refinement of the corporate strategy, which is monitored by the Supervisory Board as the supervisory body.

We use various communication channels and dialogue formats to keep our employees as up to date as possible on the latest topics. These include letters to staff, our intranet, Board of Management updates, including videos, and our DEUTZ Mobile app. The app provides access to a range of information on or related to DEUTZ and is continually being improved and added to. We also regularly conduct employee surveys to keep the Company's management team informed of the workforce's interests and views. The survey focuses on engagement and enablement, the Net Promoter Score, and the DEUTZ values. A full employee survey used to be conducted every three years. In 2025, however, we established the DEUTZ Pulse Check as a shorter survey that is run twice per year. This increased frequency should provide an up-to-date and reliable set of base data that will enable strengths and areas for development to be identified at an early stage and appropriate action to be initiated more quickly. Analog dialogue formats are also used. For example, a works meeting is held at the DEUTZ AG sites at least once a year, at which the Board of Management and works council inform employees of current developments and respond to questions in person. Furthermore, DEUTZ held its first global leadership conference in 2025. The aim was for the extended management team to meet up in person in order to foster an international leadership culture and agree the priorities for 2026 and beyond. The conference focused on expanding participants' managerial skills and answering the question of how each individual can actively contribute to DEUTZ's transformation. There was also a discussion about how to convey the necessity of change to teams and how to actively involve them in the change process.

We have established a post-merger integration process in order to help new employees who joined the DEUTZ Group as a result of acquisitions to integrate into the Company as fully as possible.

To promote a culture of innovation at our Company, we introduced a bonus-driven ideas management scheme that allows any employee at DEUTZ AG to submit ideas for discussion, such as how to improve product quality, enhance the portfolio of drive systems and services, make the working environment more efficient, and optimize existing processes.


Customers: Customers are one of our most important stakeholder groups because they play a vital role in the commercial success of our Company. That is why their interests and needs exert a huge influence on our decisions.


Our customers' involvement is organized through various channels, with the fundamental aim of offering a portfolio geared toward customer needs and the market, and ensuring that customers are satisfied throughout a product's use phase. A number of departments maintain regular contact with our customers throughout the product lifecycle to achieve this. At the start of the product development process, our sales, product management, and development departments are in close contact with the customers in order to factor their requirements into the design. Furthermore, customer audits are, as a rule, conducted before we enter into a business relationship with them. In this process, we look at aspects relating to a specific customer, including sustainability matters, and take the insights gained into consideration as our commitment to sustainability evolves.

Once an engine has been delivered, the sales & service, product management, quality, supply chain management, and application engineering departments are on hand to assist the customer with any product-related queries. In addition, customers can contact the sustainability department to discuss sustainability-related concerns, with any insights gained taken into consideration, for example when reviewing the materiality assessment.

Customer events and trade fairs that we regularly host or visit provide further platforms for dialogue with current and potential customers.

Suppliers: Our suppliers make an essential contribution to our Company's value chain and to the quality of our products, and consequently have a major influence on our business performance. Communication with them is primarily the responsibility of the relevant procurement organization.

Dialogue formats include regular management talks with key suppliers and meetings about quality assurance, pricing, and terms of delivery.  See also 'Purchasing and procurement', p. 48 onward.

In many respects, we can only live up to our sustainability-related responsibilities by working with our suppliers, which is why we maintain direct and indirect contact with them in this context.  See also 'Purchasing and procurement', p. 48 onward.

Private shareholders and institutional investors: As the owners of the Company, our shareholders – whether private shareholders or institutional investors – are among our most important stakeholders. They routinely exercise their rights of membership and rights of codetermination at the Annual General Meeting, with each share granting one vote at the Annual General Meeting. The Annual General Meeting decides on matters such as the appropriation of profit and the formal approval of the actions of the Board of Management and Supervisory Board. It also elects the auditor as well as the shareholder representatives to the Supervisory Board.

With regard to general capital market communications, we undertake to comply with the transparency guidelines of the German Corporate Governance Code, always communicating with private shareholders and institutional investors comprehensively, promptly, and openly. This allows them to ask us questions about Company matters at any time. Furthermore, they can participate in the quarterly conference call held to coincide with the publication of the Company's latest financial results. A recording of the call is subsequently made available on our website. In addition, a Shareholders Day was held at the headquarters in Cologne in 2024 that was specifically targeted at retail investors. A particular focus of the event was the presentation of the corporate strategy by members of the Board of Management of DEUTZ AG.

We communicate other current developments and material events by means of press releases. We also seek to engage proactively in dialogue on occasion, for example with proxies, in order to discuss matters such as their expectations or the business decisions that have been made and to jointly reflect on the underlying reasons. In addition, our Supervisory Board chairman and members of the Board of Management make themselves available to answer questions to properly registered investors and shareholders at the Annual General Meeting at the very least.

Analysts: For a time, DEUTZ was covered by as many as seven analysts in 2025. These analysts produce financial forecasts relating to the Company on the basis of their research. They thereby disseminate our Company's equity story, and their recommendations for buying, selling, or holding our shares are publicly available to everyone on our website. Ongoing dialogue with these analysts is intended to support an appropriate valuation and trading liquidity of DEUTZ shares.

The Board of Management and the Investor Relations team are available for one-on-one meetings with analysts at conferences and roadshows, and by appointment in person, by email, or by telephone at all other times. DEUTZ also regularly holds a Capital Markets Day, most recently in 2024, to which institutional investors and analysts are invited. In the context of the 2024 Capital Markets Day, DEUTZ commissioned a perception study in which analysts and selected institutional investors were asked about the corporate strategy, in particular. The findings were taken into consideration in subsequent investor relations activities.

We have not analyzed the interests and views of our key stakeholders as part of the due diligence and/or materiality assessment processes. However, we are in regular contact with them in other ways, for example with our employees through their participation in the Supervisory Board or at works meetings, where the strategy and business model are regularly discussed, or with our investors, for example at investor conferences and during conference calls. We are thus aware of their interests and viewpoints in relation to our strategy and business model and can generally understand them.

DEUTZ regularly reviews its strategy and continuously analyzes its current investment, product, and service portfolio. In doing so, the Company takes particular account of the interests of its shareholders, customers, and employees. By increasing its resilience and broadening its positioning, DEUTZ is establishing a more secure footing for the future and thereby creating sustainable added value for its shareholders and securing its employees' jobs. Our customers benefit not only from a market-oriented portfolio that complies with current emissions regulations, but also from long-term supply relationships and a comprehensive service offering over the lifetime of their engine. An example of the increasingly broad positioning is the ongoing expansion of the defense business, which saw significant progress in 2025 as a result of the acquisition of the SOBEK Group¹²⁷ and the partnership entered into with ARX Robotics.¹²⁸ DEUTZ also forged ahead with its reorganization in 2025. One of the aims is greater entrepreneurial agility and, above all, a greater focus on customers.

To this end, five business units were introduced with effect from January 1, 2026 that have their own leadership teams: DEUTZ Engines, DEUTZ Service, DEUTZ NewTech, DEUTZ Energy, and DEUTZ Defense. [See also](#) 'Strategy and objectives', p. 39 onward. The Board of Management of DEUTZ AG will continue to be responsible for the strategic direction and overall management of the Group.

The Supervisory Board and the Board of Management were informed about the interests and views of our stakeholders in relation to our sustainability-related impacts to the extent that the results of the stakeholder survey – on which the 2023/2024 materiality assessment was based – were presented to both governing bodies. The Supervisory Board is also kept informed about employees' interests because employee representatives, some of whom are also works council members who are in regular contact with the workforce, are elected to the Supervisory Board, where they represent the workforce's interests on all matters.

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management, and supervisory bodies

As a stock corporation, DEUTZ has a two-tier board system in accordance with German stock corporation law. Management and control are consequently exercised by two separate bodies: the Board of Management as the body responsible for management, and the Supervisory Board as the body that supervises the Board of Management. DEUTZ does not have an administrative body.

The Board of Management is the management body of DEUTZ AG and had three executive members as at December 31, 2025.

The Supervisory Board is the supervisory body of DEUTZ AG. It is based on codetermination and has twelve non-executive members, six of whom are shareholder representatives and six are employee representatives. [See also](#) 'Overview', p. 18 onward, for information about the composition of the Board of Management and Supervisory Board.

¹²⁷ See the press release dated September 2, 2025.

¹²⁸ See the press release dated October 16, 2025.

The Supervisory Board of DEUTZ AG is composed in such a way that, as a whole, it has the necessary expertise to provide comprehensive and effective advice to, and supervision of, the Board of Management in relation to all of the DEUTZ Group's business activities. This also means that the body as a whole has experience that is relevant to the DEUTZ Group's sectors, products, and geographical locations. Thanks to their education and/or professional background, the members have the necessary expertise and experience, such as in relation to the Company's material areas of activity and the associated markets and value chains. They also possess expertise in the strategic and sustainable development of the Company and of the relevant technologies, as well as knowledge of the sustainability/ESG¹²⁹ topics that are important for the Company. [📄 See also 'Qualification matrix', p. 28.](#)

The composition of DEUTZ's Board of Management is also based on the objective that the members as a whole have the knowledge, skills, and professional experience required to fulfill their duties. This also enables them to categorize sustainability matters in specific sector-related, product-related, or geographical contexts. A dedicated selection process ensures that the individual members of the Board of Management possess relevant and necessary knowledge, skills, and professional experience. The Supervisory Board generally also seeks external advice as part of this process.

The résumés of the members of the Board of Management and the Supervisory Board are publicly available on the Company's website.

As at December 31, 2025, the Board of Management of DEUTZ AG consisted of two male members and one female member. The gender split on the Board of Management was therefore around 33% female and around 67% male. Until January 31, 2025, the DEUTZ Board of Management consisted of three male members and one female member. This resulted in an average ratio of female to male members of the Board of Management of 1.0:2.08. [📄 See also 'Corporate governance declaration and corporate governance report', p. 20 onward, for information on the composition of the DEUTZ Board of Management.](#)

The Supervisory Board of DEUTZ AG was composed of seven male and five female members at the end of 2025. The gender split on the Supervisory Board was therefore around 42% female and around 58% male. Until November 30, 2025, the Supervisory Board consisted of eight male members and four female members. This resulted in an average ratio of female to male members of the Supervisory Board of 4.08:7.75. [📄 See also 'Report of the Supervisory Board', p. 12 onward, for information on the composition of the Supervisory Board.](#)

All members of the DEUTZ AG Supervisory Board, in other words 100%, are independent. Our definition of whether a member is independent or not is based on the German Corporate Governance Code, section C, II, as amended in April 2022.

The sustainability-related IROs¹³⁰ are monitored at the top level by the DEUTZ AG Supervisory Board.

At Board of Management level, the topic of sustainability is fundamentally the responsibility of Dr. Sebastian C. Schulte, Chairman of the Board of Management, although the full Board of Management has been responsible for monitoring the sustainability-related IROs of late.

At the operational level, sustainability matters are overseen and managed by DEUTZ's Sustainable Development Committee (SDC). It comprises the heads of the relevant departments, the individuals responsible for the key sustainability topics, and the Investor Relations team. Guided by the Group's Quality Management function, the SDC develops criteria used by the Board of Management to set sustainability-related targets, creates action plans for achieving them, and discusses the continuous improvement of sustainability efforts across the Group at regular intervals.

The responsibilities of individual bodies or persons in relation to our IROs are not yet formally set out in our mandates, nor in IRO-related policies, most of which do not yet exist either. For the 2025 reporting year, we had intended to develop IRO-specific policies and establish a formalized governance structure for monitoring, managing, and overseeing our material IROs. We had also intended to formally define responsibilities and establish a reporting structure to ensure that IRO-related targets are tracked. We now intend to introduce the aforementioned policies and formalized governance structure after we have conducted our next full materiality assessment. This is because DEUTZ is currently undergoing a period of transformation, which includes the ongoing expansion of the portfolio to include, for example, new lines of business and entry into new markets. To take account of this portfolio transformation, DEUTZ decided in 2025 to put a new organizational structure in place in 2026. Consequently, many aspects of any new governance structure introduced in 2025 would have already become out-of-date in 2026.

¹²⁹ Environmental, social, and corporate governance.

¹³⁰ Impacts, risks, and opportunities.

The Board of Management is authorized to make sustainability-related decisions and to monitor them. If it does not directly have the necessary expertise to do so, it consults with experts from the relevant areas and involves them in the decision-making process. Where there is a lack of essential knowledge, it is acquired through external training courses at management level or in the departments.

The Board of Management has direct access to sustainability expertise through the SDC management and is thus able to make qualified decisions on sustainability-related topics.

The Board of Management is regularly informed about sustainability-related topics, and about progress with implementing the sustainability strategy and about changes to its content.

At Supervisory Board level, sustainability topics are discussed and monitored by the Supervisory Board as a whole, with sustainability-related resolutions prepared by the Audit Committee. To this end, the Supervisory Board and the Audit Committee are regularly informed by the Board of Management and/or SDC management about the DEUTZ Group's sustainability management and its ongoing development.

The members of the Board of Management and of the Supervisory Board regularly attend sustainability-related training sessions provided by external experts. More information is available in the relevant comments in the report of the Supervisory Board. The Supervisory Board can also call on the sustainability expertise of the SDC and ask its members to provide training on sustainability topics. The SDC members themselves have specialist expertise thanks to their training and/or professional background, and continuously expand their knowledge through external training courses and/or external advice.

DEUTZ systematically identified sustainability-related impacts, risks, and opportunities for the first time for the 2024 sustainability statement. Since then, overall responsibility for monitoring sustainability-related impacts, risks, and opportunities has rested with the Chairman of the Board of Management, with the entire Board of Management involved as a matter of course.

DEUTZ ensures that the Chairman of the Board of Management has access to relevant expertise so that he can properly manage impacts, risks, and opportunities. This is based on individual expertise or on direct access to other sources of knowledge, primarily the SDC.

The Board of Management and the SDC management informed the Supervisory Board of the insights gained from the materiality assessment conducted in late 2023 / early 2024. Furthermore, the Supervisory Board's Audit Committee was informed of the findings from the review, conducted at the end of 2025, of the results of the most recent materiality assessment. In the future, the Supervisory Board is to be informed about strategies – once they have been drawn up – for managing impacts, risks, and opportunities so that it can fulfill its function as a supervisory body.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

After the full materiality assessment had been conducted in 2023/2024, the Board of Management and the Supervisory Board of DEUTZ AG were informed twice in 2024 about the IROs identified as material for DEUTZ: When the materiality matrix was unveiled, the SDC management presented the IROs on which the assessment was based to the two boards, and the assessment was then discussed in detail. Subsequently, a review of the material IROs was conducted by the SDC at the end of 2024, which led to an adjustment of the materiality matrix. The Board of Management presented this adjusted materiality matrix to the Supervisory Board.

In the second half of 2025, DEUTZ reviewed the results of its most recent materiality assessment, which it had conducted in 2023/2024. [See also](#) 'Materiality assessment and results based on the double materiality principle', p. 103 onward. The SDC management presented the findings of this review to the Board of Management and the Supervisory Board's Audit Committee, both of which then confirmed these findings.

As DEUTZ still does not currently have any IRO-specific policies, metrics and, for the most part, targets in place (except in relation to research and innovation, pollution, and health and safety), the Board of Management and the Supervisory Board could not be informed about their results or effectiveness in 2025. It was also still not possible to take the identified IROs into consideration in decisions on major transactions. The original plan to integrate them into regular risk management in 2025 was not implemented. The intention now is to initiate this after the next full materiality assessment.

We had established actions in advance of our most recent IRO assessment as part of the sustainability strategy in force at that time, and their implementation status was regularly reported to the Board of Management. This was also the case for some of the actions, metrics, and targets related to research and innovation. The R&D ratio is therefore one of the most important performance metrics in the internal management system and is calculated and reported to senior management on a monthly basis.

The following overview shows the material IROs that the Supervisory Board and the Board of Management of DEUTZ AG had last worked on in 2024 as described above.

Topic	IRO	
Climate change		
Climate change mitigation	GHG emissions in the product use phase	Impacts (negative)
Climate change mitigation	GHG emissions in own production	Impacts (negative)
Climate change mitigation	GHG emissions from transportation and logistics (upstream value chain)	Impacts (negative)
Climate change mitigation	GHG emissions from transportation and logistics (downstream value chain)	Impacts (negative)
Climate change mitigation	GHG emissions from energy-intensive production steps	Impacts (negative)
Climate change mitigation	GHG emissions from purchased metal components	Impacts (negative)
Climate change mitigation Energy	GHG emissions from non-renewable energy mix in countries of use	Impacts (negative)
Climate change mitigation	GHG emission reductions through the Green segment ¹³¹	Impacts (positive)
Climate change adaptation	Loss of depth of value added due to electrified drive systems	Financial impacts (risk)
Climate change adaptation	Competitive advantages through emission-neutral	Financial impacts
Pollution		
Air pollution Water pollution Soil pollution	Environmental pollution from the extraction and processing of raw materials	Impacts (negative)
Air pollution	Air emissions from fuel combustion in the use phase	Impacts (negative)
Occupational health and safety		
Health protection and safety	Health hazards for employees	Impacts (negative)
Company-specific topic		
Research and innovation	Negative environmental impacts due to one-dimensional R&D	Impacts (negative)
Research and innovation	Knowledge transfer and positive synergy effects through networks and partnerships	Impacts (positive)
Research and innovation	Reducing emissions by avoiding fossil fuels	Impacts (positive)
Research and innovation	In-house initiative to design a low-emission engine	Financial impacts (opportunity)
Research and innovation	Growth through development in the hydrogen area	Financial impacts (opportunity)
Research and innovation	Growth through the Green segment	Financial impacts

¹³¹ DEUTZ adjusted its segment structure with effect from January 1, 2025. While the Company's operating activities had been divided into the DEUTZ Classic and DEUTZ Green segments in 2024, the segment reporting comprised the DEUTZ Engines & Services and DEUTZ Solutions segments in 2025. The DEUTZ Solutions segment included not only alternative drives but also those business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. The DEUTZ Solutions segment comprised two business units: DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy.

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

Our approach to incentive schemes and Board of Management remuneration is closely linked to sustainability matters at DEUTZ AG, and this is reflected in the remuneration system for the Board of Management. The system provides incentives for the systematic implementation of the Dual+ strategy and thus supports the Company's long-term, enduring success. The main features of the Board of Management remuneration system can be summarized as follows: The annual remuneration of the members of the DEUTZ AG Board of Management consists of both fixed and variable remuneration components. The fixed component is not performance-related and comprises basic remuneration, additional benefits, and company pension. Variable remuneration is performance-related and made up of two components, whereby members of the Board of Management receive a short-term incentive («STI») with a term of one year, and virtual performance shares with a term of four years as a long-term incentive («LTI»). With regard to variable remuneration, the Supervisory Board defines annual operational and strategic targets for the financial and non-financial performance criteria, which are based on operational management and the corporate strategy. The amount of variable remuneration depends on the degree to which the defined targets and/or performance criteria have been met.

 See also 'Remuneration report', p. 164 onward.

Both the STI and the LTI are directly linked to sustainability-related and climate-related considerations, which are included as part of the variable remuneration in the form of non-financial performance criteria. In 2025, the strategy targets and the sustainability targets in the STI were combined into sustainability and strategy implementation targets. The performance assessment for the STI is thus partly based on specific sustainability-related targets that are set annually by the Supervisory Board in order to be able to incentivize the most important strategic initiatives in a targeted manner. The Supervisory Board selects targets in the areas of environment and climate, alternative drives, corporate governance, occupational health and safety, diversity, personnel development, and supply chains. In 2025, 20% of the sustainability and strategy implementation targets for the STI were based on the following sustainability-related criteria: the go-live of the NewTech organization and the optimization, announcement, and partial implementation of the revised global internal control system. There were no environmental and climate-related criteria for the STI in 2025. The other STI targets for the year under review are presented in the 2025 remuneration report.

The performance assessment for the LTI is mostly based on sustainability-related performance metrics and/or performance criteria that are embedded in the remuneration system for the Board of Management. For the 2025 tranche and routinely thereafter, the performance criteria are made up of the climate-related targets »Revenue in the DEUTZ Solutions segment«¹³² and »Carbon emissions of the production sites (tCO₂eq) in relation to Group revenue« (environmental dimension), and of non-climate-related social targets (social dimension). The social targets are based on three equally weighted performance criteria: »ratio of trainees to total employees«, »staff turnover«, and »employee enablement«. At the start of each financial year, the Supervisory Board sets demanding threshold, target, and cap values for the sustainability performance criteria for each new LTI tranche, which are valid for the entire four-year term of the tranche. The performance of the members of the Board of Management is consequently assessed in line with DEUTZ AG's GHG target of reducing its carbon emissions relative to Group revenue by 2029.¹³³ The Supervisory Board has the right to amend the sustainability performance criteria, include additional targets, and omit targets for the LTI tranches from 2025 onward. This will enable it to react appropriately to short-term developments and any strategic changes. Should the Supervisory Board exercise this right, the sustainability performance criteria are published in the remuneration report for the year in which the decision is made.

The STI and LTI account for 56% (Chairman of the Board of Management) and 54% (ordinary members of the Board of Management) of the target total direct remuneration (sum of basic remuneration, STI, and LTI with 100% target achievement for variable remuneration), which means that the proportion of remuneration linked to sustainability-related targets or performance criteria and climate-related considerations is 56% and 54% respectively (calculation basis, including for the following percentages, unless stated otherwise: target remuneration, STI 2025, and LTI 2025–2028).

The proportion of variable remuneration linked to sustainability-related targets and/or performance criteria was around 20.1% in 2025.

The proportion of variable remuneration exclusively linked to climate-related targets and/or performance criteria was 11.0% in 2025. The proportion of target total direct remuneration linked to climate-related targets was 6.1% (Chairman of the Board of Management, i.e. 11.0% of 56%) and 5.9% (ordinary members of the Board of Management, i.e. 11.0% of 54%).

¹³² DEUTZ adjusted its segment structure with effect from January 1, 2025. While the Company's operating activities had been divided into the DEUTZ Classic and DEUTZ Green segments in 2024, the segment reporting comprised the DEUTZ Engines & Services and DEUTZ Solutions segments in 2025. The DEUTZ Solutions segment included not only alternative drives but also those business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. The DEUTZ Solutions segment comprised two business units: DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy.

¹³³ DEUTZ AG target; does not represent an ESRS-compliant GHG emission reduction target.

The Human Resources Committee prepares recommendations for the Board of Management remuneration system that are based in part on the recommendations and suggestions of the German Corporate Governance Code, as amended. The Supervisory Board discusses the recommendations of the Human Resources Committee and approves the Board of Management remuneration system.

The terms of the incentive schemes for the Board of Management are thus always approved and updated by the Supervisory Board. If the Supervisory Board decides to make significant changes to the remuneration system, it is submitted for approval at the next Annual General Meeting.

The approach to incentive schemes and remuneration for members of the Supervisory Board has three main components: fixed remuneration, any additional committee remuneration, and attendance fees. As all components are non-performance-based, sustainability matters and climate-related considerations are not factored into the remuneration system of the Supervisory Board, in line with market practice.

Our compliance with disclosure requirements is consistent with the remuneration report prescribed in Articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies. [📄 See also 'Remuneration report', p. 164 onward.](#)

Disclosure Requirement GOV-4 – Statement on due diligence

The following table shows how and where our sustainability statement presents the application of key aspects and steps of the due diligence process:

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy, and business model	GOV-1: The role of the administrative, management and supervisory bodies GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies GOV-3: Integration of sustainability-related performance in incentive schemes SBM-3: Material impacts, risks, and opportunities and their interaction
b) Engaging with affected stakeholders in all key steps of the due diligence	SBM-2: Interests and views of stakeholders GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities S1-2: Processes for engaging with the Company's own workforce and workers' representatives about impacts
c) Identifying and assessing adverse impacts	SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model. IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities
d) Taking actions to address those adverse impacts	E1-3: Actions and resources related to climate policies, metrics and targets E2-2: Actions and resources related to pollution S1-1: Policies related to the Company's workforce S1-4: Actions related to material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches
e) Tracking the effectiveness of these efforts and communicating	E1-5: Energy consumption and mix E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions S1-6: Characteristics of the Company's employees S1-14: Occupational health and safety metrics S1-17: Incidents, complaints and severe human rights impacts

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

Our risk management system and internal control system (ICS) for sustainability reporting meet the requirements of appropriate and effective sustainability-related internal control processes. The configuration of the ICS is characterized by the control environment, which forms the framework within which the principles, procedures, and actions are applied; the risk assessment to identify, analyze, and assess risks; the control activities to manage the identified risks; the information and communication to present all information related to the ICS; and the monitoring of the ICS. The ICS covers the definition of the relevant process activities for sustainability reporting, the identification of the risks inherent in the process, and the analysis and documentation of the risk-managing controls. As a process-independent monitoring body, Corporate Audit reviews the appropriateness and effectiveness of the ICS for sustainability reporting. The findings of these reviews are reported directly to the Board of Management, the ICS management team, and the process owners in sustainability reporting, and allow DEUTZ to eliminate any deficiencies that have been identified and ensure that the ICS is continually refined.

The ICS primarily uses a qualitative and quantitative risk assessment approach. A catalog of risks inherent in processes is defined for sustainability reporting and managed through internal controls. These risks are generally assessed and prioritized in the categories »high«, »medium«, and »low«, and are evaluated qualitatively, taking into consideration possible influencing factors such as the scale of the damage (such as high material risks, significant reputational risks, potential liability, illegality) and the likelihood of occurrence (such as significant negative prior experience, fragmented and complex structures). Medium to high risks that are inherent in processes are added to the risk catalog. Risks that are already low at the level of inherent risk are not considered in the ICS analysis as they are not material.

An incomplete materiality assessment, the inaccurate collection of metrics, and the failure to prepare and submit reports on time were the main risks identified by the risk assessment conducted for the ICS of previous sustainability reporting. As a mitigation strategy to minimize the aforementioned risks, an ESG and IR manager has been appointed who monitors the process and supports risk management and/or implements risk management measures herself. These risk management actions and controls include checklists, plausibility checks, having work checked by another member of staff, and regular interdepartmental meetings at which tasks are assigned and progress is monitored.

The risk assessment and the identification, analysis, assessment, and documentation of these risk management activities are conducted by central ICS management and in ongoing dialogue with process owners in sustainability reporting. The integration of internal functions and processes is a fundamental prerequisite in the ICS methodology. Consequently, the results of the risk assessment and internal controls are integrated into the ICS methodology throughout the sustainability reporting process by involving the relevant internal functions, primarily via joint meetings.

The results of the risk assessment and the status of the ICS for sustainability reporting are communicated to the Supervisory Board's Audit Committee, the Chief Financial Officer of DEUTZ AG, and the DEUTZ AG Board of Management regularly. Reasons to do so include upcoming changes to processes and subsequent process reviews, and audits of the ICS for sustainability reporting. The Chief Financial Officer of DEUTZ AG is regularly informed of all material ICS matters by the head of the central ICS management team. Once the ICS documentation has been completed, the Board of Management and the process owners are informed of material insights. The material information includes the processes and risks within the scope, the identified controls, and the recommendations for action.

The Chief Financial Officer of DEUTZ AG or the head of the central ICS management team reports to the Supervisory Board and/or its Audit Committee. The reports enable the Board of Management and the Supervisory Board to monitor the appropriateness and effectiveness of the ICS for sustainability reporting.

Materiality assessment and results based on the double materiality principle

For the 2024 sustainability statement, we had conducted our first materiality assessment in accordance with the requirements of ESRS 1. In 2025, we therefore only performed the required regular review of the results at the level of the topics identified as material in 2024. Our IRO-1 disclosures below describing the process to identify and assess material impacts, risks, and opportunities (IROs) and the topic-specific disclosures in respect of ESRS 2 IRO-2 relate – unless indicated otherwise – to the materiality assessment conducted in 2024, the results of this assessment, and the IROs on which this result is based.

Our process for reviewing the results of the 2024 materiality assessment was divided into three steps:

1. Internal analysis of changes: We started the review process by conducting an internal analysis of any changes. This was based on four questions designed to identify any need for adjustments: 1. Has the corporate strategy or the business model changed in any way since the 2024 materiality assessment? 2. Have any new products been added to the product portfolio, have any new markets been targeted, have any new partnerships been formed, and/or have there been any changes in relation to our supply chains? 3. Have any businesses been acquired or premises relocated? 4. Have there been any relevant incidents in the Company's own operations in connection with topics relating to the environment, labor rights, and/or human rights?

The transformation of the Company initiated as part of the implementation of our Dual+ strategy is continuing and, in 2025, included the acquisition of a number of companies. These acquisitions were partly aimed at further expanding our service business. In addition, we took the strategic step of positioning ourselves in the defense market by acquiring the SOBEK Group, a manufacturer of drive systems for military drones and other applications. [See also 'Strategy and objectives', p. 39 onward.](#) Because this currently still has very little relevance to our operating performance, we do not believe that it is yet necessary to adjust the list of topics identified as material in 2024.

2. External analysis of developments: The second step was to conduct an external analysis of any developments. This involved analyzing whether statutory and/or regulatory changes, shifts in stakeholders' expectations, and/or ESG trends give rise to any need for adjustments. The analysis did not reveal any need for such adjustments.

3. Randomized stakeholder validation: With no need for adjustments identified in the first two steps described above, this outcome was then validated by conducting a randomized stakeholder survey. To this end, we ran a short survey in which two inhouse stakeholders at DEUTZ and the DEUTZ Sustainable Development Committee participated. Representatives of the two main stakeholder groups pursuant to ESRS 1, section 3.1, i.e. representatives of affected stakeholders and users of sustainability statements, were not consulted. Moreover, the short survey was not conducted in the context of the topic list drawn up in 2024.

The short survey resulted in the validity of the existing materiality matrix being confirmed.

Based on the review process described above, we came to the conclusion that there is no need to make adjustments to our 2024 materiality matrix. This means that the following overarching topics identified as material in 2024 continue to be the topics that are material to DEUTZ and thus form the basis for our 2025 sustainability statement: climate change (ESRS E1), pollution (ESRS E2), occupational health and safety (ESRS S1), and research and innovation (DEUTZ-specific).

As the materiality of the overarching topics from 2024 has been confirmed, a more in-depth review and adjustment of the underlying IRO assessment was not conducted.

Disclosure Requirement IRO-1 – Description of the process to identify and assess material impacts, risks, and opportunities

The double materiality assessment was conducted as part of a comprehensive process to identify, assess, prioritize, and monitor potential and actual impacts on people and the environment, as well as risks and opportunities that may in turn have a financial effect on the Company.

The double materiality assessment in accordance with the CSRD forms the basis for the content of our sustainability statement. As mentioned at the start of this chapter, the first – and most recent – assessment was conducted in 2024. Significant differences compared to the previous process included the application of the double materiality principle, formal stakeholder interviews, the consideration of impacts, the factoring in of general risk management methods into the assessment, and the inclusion of the entire value chain. The double materiality process was conducted in collaboration with an external consultancy firm in 2024.

We intend to review the results of the materiality assessment annually and to conduct a full assessment on an ad hoc basis, but at least every three years. [🔗 See also](#) the 2023 non-financial report, p. 115, for further information on the previous materiality assessment.

The 2023/2024 materiality assessment followed a systematic approach based on ESRS 1 chapter 3. The process was as follows:

Establishment of an internal expert group: An internal project group was established to carry out the double materiality assessment. Its members were drawn from a wide range of departments in order to include expertise in environmental, social, and business-specific areas. The expert group was informed of the methodology, approach, and basis of consolidation at an early stage, and the approach was agreed with the DEUTZ Board of Management.

Scope of the materiality assessment: Our 2023/2024 materiality assessment covered DEUTZ's entire value chain and included the supply chain, own operations, and the product use phase and end-of-life treatment. The assessment did not exclude any specific activities, business relationships, or geographies.

Identification of sustainability topics: Relevant sustainability topics were identified by means of a context analysis and aggregated and described in a topic list. In addition to topics touched upon in the CSRD and/or ESRS, the topic list also included the entity-specific topic »research & innovation«.

Involvement of stakeholders: We involved representatives of various internal and external stakeholders in the process through our 2023/2024 stakeholder survey, thus considering the interests of the two main stakeholder groups pursuant to ESRS 1, section 3.1. The representatives of the affected stakeholders included, among others, customers and suppliers. The representatives of the users of sustainability statements included members of the works council and capital market players. Supervisory Board members, managing directors of sites outside Germany, and trade association members were also included. The aforementioned representatives were asked about actual or potential impacts, risks, and opportunities in the context of the topic list, and they were able to add qualitative and quantitative information about categorization.

Collection of potential and actual impacts: The internal expert group evaluated the results of the stakeholder survey and, guided by external sustainability consultants, collected potential and actual negative and positive impacts on people and the environment resulting from our business activities.

Impacts mainly arise from our business model and the associated use of raw materials, human resources, and industry-specific aspects.

In order to identify sustainability-related risks and opportunities, we mainly looked into dependencies on resources and their availability along our supply chain and value chain. We also checked which risks and opportunities are behind the identified impacts.

Assessment of materiality: For the current materiality process, we applied the criteria described in ESRS 1, chapter 3 for assessing impact materiality and financial materiality.

For actual negative impacts, materiality is based on the severity of the specific impact, while for potential negative impacts it is based on the severity and likelihood of occurrence of the impact. Positive impacts are categorized according to their scale and scope, and, in the case of potential positive impacts, also their likelihood of occurrence.

The financial materiality of risks and opportunities was assessed based on the likelihood of occurrence and the scale of the potential financial implications (risk/opportunity) in relation to the results of operations, specifically EBIT. The assessment scales and monetary and percentage thresholds for the extent of the damage or benefit, and for the likelihood of occurrence, corresponded to those used in general groupwide risk management.

Supporting parameters in the assessment process: Where available, we used quantitative data in the assessment of impacts, risks, and opportunities in order to make the assessment as objective as possible. Quantitative base data included the number of accidents at work (for impacts on the Company's workforce and on health and safety) and carbon emissions (for impacts on climate change). These data sources were put into context by internal expert groups and supplemented by desktop research on specific sustainability matters.

Decision-making and the control process: As soon as discrepancies arose in the materiality assessment process, other stakeholders and/or – where possible – reliable quantitative data sources were consulted for an objective assessment.

Monitoring of the results of the materiality assessment:

Overall, the entire materiality assessment was subject to a rigorous control procedure. The final results of the materiality assessment were validated twice, first by internal experts and then by the Board of Management. The process has not yet been integrated into due diligence processes and management approaches.

The process to identify, assess, and manage impacts and risks has not yet been integrated into the overall risk management process. As a consequence, material IROs were identified independently of the regular risk management process. Despite this, sustainability-related risks and opportunities identified as material were integrated into the overarching risk management system or used to assess the general risk profile. We did not prioritize identified sustainability-related risks relative to other types of risk.

Negative impacts¹³⁴		Position in the value chain
E1	Negative contribution to climate change through GHG emissions in own production (through energy consumption and fuel combustion) (A)	Own business activities
E1	Negative contribution to climate change due to GHG emissions from energy-intensive production steps (A)	
E1	Negative contribution to climate change through GHG emissions from transportation in the supply chain & logistics (upstream) (A)	Upstream value chain Geographical location: Global
E1	Negative contribution to climate change through GHG emissions in the upstream value chain (Scope 3.1) through the purchase of metal components (such as steel)	
E1	Negative contribution to climate change through GHG emissions in the downstream value chain through transportation and logistics (downstream) (A)	
E1	Negative contribution to climate change through GHG emissions in product use phase (A)	Downstream value chain Geographical location: Global
E1	Negative contribution to climate change through potential GHG emissions in the use phase due to non-renewable energy mix in countries of use (P)	
E2	Negative contribution to environmental pollution through raw material extraction and processing, especially of steel and aluminum (A)	Upstream value chain Geographical location: Global
E2	Negative contribution to pollution due to air emissions from fuel combustion in use phase (A)	Downstream value chain Geographical location: Global
S1	Negative contribution to own workforce due to potential health risks (occupational safety) (P)	Own business activities
F&I	Negative contribution to climate change through one-dimensional R&D, especially in further development of the combustion engine (A)	Own business activities and downstream value chain
Positive impacts		
E1	Positive contribution to climate change mitigation through GHG emission reductions by the Green	Own business activities
F&I	Positive contribution to climate change mitigation through potential GHG emission reductions by avoiding fossil fuels (P)	Own business activities and downstream value chain
F&I	Positive contribution to industry transformation through potential knowledge transfer and positive synergy effects through networks and partnerships (P)	All stages of the value chain
Risks		
E1	Financial risk due to loss of depth of value added as the switch to electrified drive systems progresses	Own business activities Asset: Revenue
Chancen		
E1	Financial benefit through competitive edge with emission-neutral products	Own business activities Asset: Revenue
F&I	Financial benefit through increase in market share through the 'Green' segment	
F&I	Financial benefit through increased market share in the hydrogen sector	Own business activities Asset: Revenue
F&I	Financial benefit through increased market share in the area of low-emission engines	


In this report, we clearly differentiate between the impacts, risks, and opportunities covered by the disclosure requirements of ESRS, and those that we cover through additional entity-specific disclosures. These refer to the topic of research & innovation, which was identified as material in our materiality assessment conducted in 2023/2024 due to its importance to the Company's transformation. Related information can be found in the 'Entity-specific disclosures' chapter.

The materiality assessment for 2024 was the first and most recent such assessment that we conducted in accordance with the requirements of the CSRD. In 2025, we merely conducted a high-level review of the results from 2024 and this did not result in any need for adjustments. Consequently, no comparative information is available in respect of material impacts, risks, and opportunities from prior reporting periods.

¹³⁴ (A) = actual, (P) = potential.

Topic-specific disclosure requirements related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks, and opportunities

IRO process regarding climate change and pollution: With regard to the procedure for identifying and assessing material impacts, risks, and opportunities, please refer to our non-topic-specific IRO-1 disclosures on page 98 onward. In line with the process described there, an IRO assessment was also conducted on the topics of climate change and pollution. The assessment found that these topics are material to us.

Climate-related physical risks: In addition to the climate impacts we cause, climate change poses a risk to us. As part of our process to identify and assess climate-related physical risks, we analyze the vulnerability of our assets and business activities to acute and chronic climate-related hazards, primarily rising temperatures, heat waves, and water shortages, in line with Commission Delegated Regulation (EU) 2021/2139. The assessment is location-specific for short-term (up to 2030) and medium-term (2030–2050) time horizons based on a high-emissions climate scenario (RCP 8.5) that is aligned with the latest scientific findings and the IPCC scenarios. Long-term time horizons were deemed not relevant due to the increasing uncertainties and the limited relevance to operational and strategic decisions. The selected scenario represents a conservative but plausible risk profile and adequately covers the physical climate risks that are material to DEUTZ's business model. The climate risk analysis is carried out by an external service provider. This involves analyzing the geographical coordinates of the specific production sites and applying a spatial resolution of 30km. The results show that the site in Morocco is particularly vulnerable to chronic water stress, which is classed as a material physical climate risk. Water stress can potentially affect the site's ability to operate. The results of the climate risk analysis are regularly reviewed and updated as necessary. Furthermore, global climate effects are continually monitored for potential future impacts on our business model and our strategy.  See also 'Disclosures pursuant to

Article 8 of the EU Taxonomy Regulation', 2.2. 'Adherence to the DNSH principle for environmental objective (2) climate change adaptation', p. 119.

Climate-related transition risks and opportunities: With regard to climate-related transition risks and opportunities, we analyze events – based on the TCFD¹³⁵ classification – resulting from global adaptation to a climate scenario that takes into consideration the limitation of global warming to 1.5°C. The analysis is conducted for short-term (up to 2030) and medium-term (2030–2050) time horizons and is based on recognized climate scenarios and regional market forecasts. The transition risks relate primarily to changes in the market and in technology. This is based on a scenario examination by NGFS,¹³⁶ during which the carbon price and investments in energy supply up to 2100 were analyzed using the »Net Zero 2050« climate scenario. Given the upward trend of the carbon price, the assumption is that demand for diesel-powered internal combustion engines will fall. We believe that the steadily rising carbon price and higher forecast investment in energy supply will increase demand for our NewTech products.

Assessment of climate-related risks and opportunities: In our most recent IRO assessment, we identified a potential negative impact on EBIT due to the loss of vertical integration as a result of the stronger focus on electric drive systems. At the same time, however, the transition to a low-emission product portfolio brings with it positive impacts. Furthermore, we regarded the creation of new jobs and the increase in production volume as an opportunity because policymakers, society, and customers are increasingly calling for low-emission products. The identified risks and opportunities were evaluated qualitatively, with their influence on EBIT and product demand deemed to be material to our long-term business. It should be noted that the underlying data is highly complex and that the reliability of the evaluation is very much dependent on the quality of the data used. We consider all of the aforementioned transition events to be long-term events with a duration of more than five years.

The results are used for the purposes of monitoring and of raising awareness internally. There has been no integration into business models or planning so far. The upstream and downstream value chain has been taken into account in the 'Climate-related transition risks and opportunities' chapter. We intend to identify the climate-related physical risks in our upstream and downstream value chain in 2026. We are not aware of any assumptions that are not consistent with the assumptions in the financial statements.

¹³⁵ Task Force on Climate-related Financial Disclosures, an initiative to promote disclosure of climate-related financial risks and opportunities for companies and investors.

¹³⁶ Network for Greening the Financial System, a network of central banks and financial regulators that promotes sustainable financial systems and analyzes climate-related risks in the finance sector.

Resilience analysis: The material climate-related risks for our assets and business activities were identified as part of our climate-risk analysis. The resilience analysis carried out in 2025 assessed how resilient our organization and our sites are to these risks. With regard to physical risks, heat waves, and water stress at the site in Morocco, the analysis showed that while existing actions provide basic resilience, there is room for improvement when it comes to safeguarding the ability to operate in the long term. In some cases, short-term adjustments to business activities would require significant financial resources. With regard to transition risks, the assessment was that although we are generally flexible in our product portfolio and can respond to shifting demand, we need to continue monitoring this closely. Critical assumptions, underlying time horizons, and existing uncertainties in the analysis are explained in the context of the climate risk analysis.

IRO process relating to water and marine resources, biodiversity and ecosystems, and resource use and circular economy: In its 2023/2024 double materiality assessment, DEUTZ examined whether there are actual or potential impacts, risks, and opportunities in its own operations and/or in its upstream or downstream value chain that relate to water and marine resources, biodiversity and ecosystems, and resource use and circular economy. [See also p. 103 onward](#) for further information on the general process for identifying and assessing material impacts, risks, and opportunities. The outcome was that the aforementioned topics are not deemed material.

Our assets were not reviewed as part of the aforementioned process and the stakeholder group »affected communities« was not consulted.

Dependencies, transition risks, and physical risks in relation to biodiversity and ecosystems: As far as our IROs relating to the topic of biodiversity and ecosystems are concerned, there has been no recent identification and consequently no assessment of dependencies on biodiversity and ecosystems and their services at our own sites and within our upstream and downstream value chain. Moreover, no transition risks and physical risks or opportunities in connection with biodiversity and ecosystems were identified, nor were systemic risks taken into consideration.

Locations in vulnerable areas and remedial actions: In the course of checking our compliance with the DNSH principles relating to environmental objective 6 of the EU Taxonomy Regulation, we analyzed our key locations to see whether they are in or near biodiversity-sensitive areas and whether activities related to these sites negatively affect these areas by causing degradation of natural habitats and species habitats and disturbance to the species for which the conservation area has been designated.

The results did not indicate any significant harm to biodiversity and ecosystems, which led us to conclude that no remedial action relating to biodiversity needs to be taken. [See also](#) 'Disclosures pursuant to Article 8 of the EU Taxonomy Regulation', 2.2. 'Adherence to the DNSH principle for environmental objective (2) climate change adaptation', p. 119.

IRO process in relation to governance: A comprehensive analysis was also conducted for the topic of governance along the entire value chain, including our own business activities and sectors. As a result of our double materiality assessment, the topic of governance was classified as not material.

Disclosure Requirement IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

In this sustainability statement, we have complied with the ESRS disclosure requirements as set out in the content index on page 151 onward. There, we have also included a list of all datapoints deriving from other EU legislation, as listed in Appendix B of ESRS 2. Where we have omitted the information prescribed by a datapoint that derives from other EU legislation listed in Appendix B of ESRS 2, the information in question is not material.

The materiality of information on the sustainability topics described in detail in this sustainability statement was determined in a double materiality assessment in accordance with ESRS 1 section 3.2. The usefulness of these topics in the decision-making process was evaluated in the final step of the assessment. This involved checking the relevance for the regulatory requirements of ESRS 1, for the Company's strategy, and for the material stakeholders. The threshold values defined in the materiality assessment were supplemented and validated by the scope of the strategic direction of DEUTZ and of the relevant stakeholders. This process step did not change the findings of materiality.

Environmental information

Material impacts, risks, and opportunities and their interaction with strategy and business model

The material environmental IROs are based on the 2024 materiality assessment. In 2025, only a review of the topics was conducted, which did not involve reassessing the content.

The most material **impacts** are, firstly, our contribution to climate change and, secondly, our contribution to climate change mitigation. For example, we release greenhouse gas emissions primarily through our production activities, as well as through the transportation of our products. This is usually driven by high energy consumption or fuel combustion in production. In our upstream and downstream value chain, we also contribute to climate change through our business relationships, such as by purchasing metal components and processing them further. Negative impacts on the

environment – particularly on water, soil, and air – are primarily caused by the extraction of raw materials in our upstream value chain and by fuel combustion when end-users operate our engines in the use phase. At the same time, however, our activities in the NewTech business unit – i.e. the activities of our former Green segment¹³⁷ – have positive impacts on the environment. They also contribute to climate change mitigation and can help to facilitate the transition to low-emission technologies and engines.

Nonetheless, our activities relating to electric drive systems also pose a **risk** for us, as they are associated with a loss of our vertical integration. At the same time, they present us with **opportunities**, as a strong low-emission product portfolio can give us a competitive edge.

The following table presents the effects of our climate and environmental impacts in detail and shows how they are linked to our business model.

¹³⁷ DEUTZ adjusted its segment structure with effect from January 1, 2025. While the Company's operating activities had been divided into the DEUTZ Classic and DEUTZ Green segments in 2024, the segment reporting comprised the DEUTZ Engines & Services and DEUTZ Solutions segments in 2025. The DEUTZ Solutions segment will include not only alternative drives but also those business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. The DEUTZ Solutions segment comprises two business units: DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy.

Impacts	Type and extent of impact	Link to business model	Impact trigger	Expected time horizon of impact
Negative contribution to climate change through GHG emissions in own production (energy consumption and fuel combustion)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Negative contribution to climate change due to GHG emissions from energy-intensive production steps (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions from transportation in the supply chain and logistics (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in the upstream value chain (Scope 3.1) through the purchase of metal components (such as Steel) (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in the downstream value chain through transportation and logistics (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers, and disposal companies)	Long-term (> 5 years)
Negative contribution to climate change through GHG emissions in product use phase (E1)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Long-term (> 5 years)
Negative contribution to climate change through potential GHG emissions in the use phase due to non-renewable energy mix in countries of use (E1)	Negative potential impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Medium-term (1 to 5 years)
Negative contribution to pollution through raw material extraction and further processing, especially of steel and aluminum (E2)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily from business relationships (suppliers)	Short-term (> 1 year)
Negative contribution to pollution due to air emissions from fuel combustion in use phase (E2)	Positive actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Impacts arise primarily through business relationships (end users, customers)	Short-term (> 1 year)
Positive contribution to climate change mitigation through GHG emission reductions by the Green segment (E1)	Positive actual impact on the environment	An important element of the DEUTZ business model	Effects arise directly from DEUTZ	Long-term (> 5 years)

The material environmental risks and opportunities that arise from our business activities can have financial effects on our financial position. For this reason, our focus is on proactively minimizing risks and exploiting opportunities in order to limit

negative financial effects while at the same time leveraging long-term opportunities and realizing the resulting potential. The following table shows the impacts of the financial risks and opportunities that we have identified as material.

Risks/opportunities (including risks for which an adjustment of carrying amounts is required in the next reporting period)	Current financial effects of risks/opportunities	Expected financial effects of the impacts (short, medium and long term) ¹³⁸	Expected time horizons for financial effect ¹³⁹
Financial risk due to loss of depth of value added as the switch to electrified drive systems progresses (E1)	€50 million to €75 million	n.a.	n.a.
Financial opportunity through competitive edge with emission-neutral products (E1)	> €75 million	n.a.	n.a.

The IROs that we have identified as material currently have no influence on our business model, our value chain, or our strategy. We have therefore not made any changes to our strategy or business model as a result of their identification. Where helpful, however, we intend to take the environmental IROs identified as material into consideration in the further development of our corporate strategy and consequently in related decision-making processes in the future. In addition, prior to conducting our double materiality assessment, we set ourselves the target of offering a climate-neutral product and technology portfolio by 2050 at the latest, which goes hand in hand with the gradual transformation of our portfolio and the further development of our strategy and business model.

Climate change

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

We do not currently have a transition plan, but intend to publish one in 2030.

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

We are currently in the process of developing our sustainability strategy and therefore do not have any specific policies in place at the moment to manage the material impacts, risks, and opportunities that we have identified in connection with climate change mitigation and adaptation. The strategy process began in 2024; the focus in 2025 was on defining the specific content and operationalizing it.

Disclosure Requirement E1-3 – Actions and resources in relation to climate change policies

Pursuant to ESRS 2 MDR-A, the key actions applied and planned in 2025 to combat climate change include the following:

In addition to ongoing energy efficiency projects, such as the phased replacement of conventional lighting with LED lighting at our production sites, and other energy efficiency actions such as roof refurbishments at our site in Zafrá (Spain), the reporting year saw us install a photovoltaic system with an output of 1,000 kWp at our headquarters in Cologne-Porz. The system is due to go into operation at the start of 2026. Another photovoltaic system with an output of 99 kWp came on stream at our Herschbach site. We are also continually looking at how we can expand the use of cold tests for testing certain diesel engines at our production sites. Unlike in conventional hot testing, cold testing involves running diagnostic programs with hardly any fuel being used. Both hot and cold tests replicate the real-life operation of an engine to check whether it is functioning properly. Further actions to reduce Scope 1, 2, and 3 emissions are still being developed and will be published together with our transition plan.

¹³⁸ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.
¹³⁹ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

We do not consider the investment and operating costs required to implement our existing and planned actions to be significant in relation to our total investment and operating costs and consequently do not report them separately.

The reduction in emissions for the actions is 0 tCO₂eq¹⁴⁰ because green electricity is purchased for electricity-based actions. We believe that the roof refurbishments at our site in Zafra will result in a minimal reduction in heat-related emissions. An exact figure cannot be determined at the moment as the action is yet to be fully implemented.

Our ability to implement the necessary actions depends on resource availability and allocation. Continuous access to funding at affordable capital costs is crucial for the implementation of our actions.

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

We are currently pursuing a non-ESRS-compliant target aimed at reducing GHG emissions in relation to consolidated revenue by 2029. Specific emission reduction targets for Scopes 1, 2, and 3 will be published together with our transition plan in 2030.

We have not tracked whether our actions to address our material sustainability-related impacts and risks and to pursue opportunities are effective.

Disclosure Requirement E1-5 – Energy consumption and mix

We collect real energy consumption data only from our production sites. For our sales and service locations, we extrapolate the data by using the average energy consumption of an office employee¹⁴¹ in Cologne and multiplying it by the number of employees at the individual companies.

Steam, heat, and cooling generated as »waste energy« from the industrial processes of a third party are recognized under »purchased or acquired« energy. We classify renewable hydrogen as a renewable fuel. Hydrogen that is not completely derived from renewable sources is included under »fuel consumption from other non-renewable sources«. As a company that operates exclusively in sectors with a high climate impact, we disclose the information required by ESRS E1-5 37 a).

Energy consumption of the production sites

	2025	2024
(1) Fuel consumption from coal and coal products [MWh]	0	0
(2) Fuel consumption from crude oil and petroleum products [MWh]	17,384	17,854
(3) Fuel consumption from natural gas [MWh]	28,536	26,393
(4) Fuel consumption from other fossil sources [MWh]	0	0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources [MWh]	6,961	5,328
(6) Total fossil energy consumption [MWh] (calculated as the sum of lines 1 to 5)	52,880	49,575
Share of fossil sources in total energy consumption [%]	40.7	39.5
(7) Consumption from nuclear sources [MWh]	463	460
Share of consumption from nuclear sources, in total energy consumption [%]	0.4	0.4
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) [MWh]	1,012	1,005
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources [MWh]	73,498	73,089
(10) The consumption of self-generated non-fuel renewable energy [MWh]	1,985	1,238
(11) Total renewable energy consumption [MWh] (calculated as the sum of lines 8 to 10)	76,494	75,332
Share of renewable sources, in total energy consumption [%]	58.9	60.1
Total energy consumption [MWh] (calculated as the sum of lines 6, and 11)	129,837	125,368

¹⁴⁰ CO₂eq = carbon dioxide equivalents.

¹⁴¹ Full-time equivalent (FTE).

We have identified the following sectors, including NACE codes, that have a significant impact on the climate and are used to determine energy intensity:

- 27.11 Manufacture of electric motors, generators and transformers
- 27.2 Manufacture of batteries and accumulators
- 28.11 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines

Energy intensity of activities in »sectors with a high climate impact«

	2025	2024
Energy intensity per net revenue [MWh/T€]	0.06	0.07 ¹⁴²
Net revenue attributable to activities in high climate impact sectors [€]	2,043,805,441	1,813,664,681
Total net sales (annual financial statements) [€]	2,043,805,441	1,813,664,681
Total Energy consumption attributable to activities in high climate impact sectors [MWh]	129,837	125,368

Disclosure Requirement E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

Gross Scope 1, 2, 3 and total GHG emissions^{143,144}

	2025	2024
Scope 1 GHG emission		
Gross Scope 1 GHG emissions (tCO ₂ e)	10,669	10,038
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
Scope 2 GHG emissions		
Gross locations-based Scope 2 GHG emissions (tCO ₂ eq)	54,935	12,372
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	1,884	824
Significant scope 3 GHG emissions		
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ eq)	17,956,588	19,571,152
(1) Purchased goods and services (tCO ₂ eq)	741,136	541,968
(4) & (9) Upstream transportation and distribution (tCO ₂ eq)	16,902	21,400
(11) Use of sold products (tCO ₂ eq)	17,198,550	19,008,054
Total GHG emissions		
Total GHG emissions (location-based) (tCO ₂ eq)	18,022,192	19,593,562
Total GHG emissions (market-based) (tCO ₂ eq)	17,969,141	19,582,014

To calculate our Scope 2 greenhouse gas emissions, we used location- and market-based methods as prescribed. For location-based emissions, we used average emission factors for energy generation for the defined locations, while for market-based emissions we quantified the greenhouse gas emissions of the producers from whom we have contractually purchased electricity in a package with instruments. With regard to the proportion of contractual instruments – and the types of contractual instrument – that were used for the

purchase and sale of energy with guarantees of origin, 94.59% of all electricity consumed had a green electricity certificate.

In the basis of consolidation, which covers employees both in the parent company (DEUTZ AG) and in the subsidiaries, the Scope 1 emissions totaled 10,669 tCO₂eq; the Scope 2 emissions were made up of 1,884 tCO₂eq of gross market-based GHG emissions and 54,935 tCO₂eq of gross location-based GHG emissions.

¹⁴² During the calculation of key performance indicators for the 2025 financial year, an error was discovered in the calculation of the prior-year figure. Specifically, in the previous year, energy intensity was reported per million euros of net revenue rather than per thousand euros of net revenue. The value of 69.12 reported in the 2024 Sustainability Statement has been corrected accordingly in this Sustainability Statement.

¹⁴³ The base year corresponds to the reporting year.

¹⁴⁴ No milestones and target years are listed, as no ESRS-compliant GHG targets have been set.

Associates, joint ventures, and unconsolidated subsidiaries that are not included in full in the basis of consolidation for the consolidated financial statements were not recognized.

GHG intensity per net sales

	2025	2024
Net sales for calculating the GHG intensity [€]	2,043,805,441	1,813,664,681
Total net revenue (annual financial statements) [€]	2,043,805,441	1,813,664,681
Total GHG emissions (location-based) [tCO ₂ e]	18,022,192	19,593,562
Total GHG emissions (market-based) [tCO ₂ e]	17,969,141	19,582,014
Total GHG emissions (location-based) per net revenue [tCO ₂ e/T€]	8.82	10.80
Total GHG emissions (market-based) per net revenue [tCO ₂ e/T€]	8.79	10.80

Scope 1 and 2 emissions are calculated from our companies' energy consumption. We use the entities' actual energy consumption to determine the GHGs emitted from production sites. For the remaining companies (sales and service locations), we extrapolate the emissions. To this end, we have created a DEUTZ-specific factor that reflects the annual energy consumption of an office employee. Based on the companies' full-time equivalents, we can then determine the total energy consumption and the associated emissions in the Scope 1 and 2 categories for each company.

To prepare the disclosure of our Scope 3 greenhouse gas emissions, we applied the weight and expenditure-based method in Scope 3.1 and used emission factors from the ecoinvent database. Applying the weight-based method, we recognized the goods purchased for production on the basis of the composition of the materials. The expenditure-based method was used for purchased non-production goods, and we calculated the emissions on the basis of purchase value.

For Scope 3.4, primary data from freight forwarders in the form of carbon reports was used for the most part. Furthermore, a safety margin of 10% was defined in case any shipments were not included. The emission factors used to calculate individual transportation emissions are taken from the UK government's Department for Business, Energy & Industrial Strategy (DBEIS).

The Engine Cloud forms the data basis for the Scope 3.11 calculation. This contains real engine consumption data from our customers, which, together with the number of units sold worldwide, allows us to determine the emissions for real engine behavior. The emission factors for the fuels are also derived from the UK government's DBEIS and the ecoinvent emissions database. As real consumption data is not available for all engine types, a linear extrapolation was conducted from 80% coverage in accordance with the GHG protocol. Coverage of 84.6% was achieved for 2025, resulting in an extrapolation of 15.4%.

These categories include indirect Scope 3 greenhouse gas emissions that originate from the consolidated entities, which includes both the parent company and its subsidiaries.

We update our Scope 3 greenhouse gas emissions for each significant category annually based on current activity data. Our complete Scope 3 greenhouse gas inventory is updated after a significant event. The calculation of our Scope 3 greenhouse gas emissions is based on data from activities within our Company's upstream and downstream value chain. The calculated greenhouse gas emissions include all greenhouse gases from the Kyoto Protocol and are stated in CO₂ equivalents.

We did not emit any biogenic emissions from the incineration or biodegradation of biomass during the reporting period.

A total of 81.11% of our Scope 3 greenhouse gas emissions are determined using primary data that we obtain directly from our suppliers or other partners in our value chain.

Our inventory of Scope 3 greenhouse gas emissions comprises three categories, including Scopes 3.1, 3.4, and 3.11. In particular, certain Scope 3 categories were deliberately excluded from the inventory. For example, Scopes 3.10, 3.14, and 3.15 are not relevant scopes, as our products are not further processed, we do not operate a franchise, and we are not a financial company. Although the remaining Scope 3 categories include emissions, their total amounts are immaterial.

Disclosure Requirement E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

No projects to reduce or mitigate greenhouse gases were financed through carbon credits in the reporting period.

Disclosure Requirement E1-8 – Internal carbon pricing

No internal carbon pricing schemes were used in the reporting period.

Disclosure Requirement E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

We continue to exercise the option of omitting disclosures on anticipated financial effects in connection with material physical risks and transition risks and potential climate-related opportunities.

Pollution

Disclosure Requirement E2-1 – Policies related to pollution

Our policy is to adopt a technology-neutral approach as we take our drive portfolio forward and, in doing so, to promote more environmentally friendly off-highway solutions. What this means is that we are striving to establish a drive portfolio that enables the end-users of our engines to avoid, or at least reduce, pollutant air emissions¹⁴⁵ from fuel combustion in the use phase. [See also 'Research and innovation', p. 145.](#) At present, we are primarily focusing on electric and hydrogen-powered drive solutions to achieve this objective:

Our electrification strategy, which we introduced in 2017, aims to create a scalable product portfolio of electric drive systems. E-drives are classed as climate-neutral and, moreover, do not produce any particulate or nitrogen dioxide emissions in their use phase. Our development activities are also directed toward refining classic internal combustion (diesel) engines so that they can run on alternative, sustainable energy sources such as hydrogen that make them better for the environment. For example, a hydrogen internal combustion engine primarily emits a clean exhaust gas, namely steam, as well as significantly smaller quantities of environmentally harmful nitrogen oxides than a traditional diesel engine. Hydrogen engines are suitable for various DEUTZ applications in the off-highway segment and also have the potential for use in the on-road¹⁴⁶ segment. In the commercial vehicle sector, for example, we joined the Hydrogen Combustion Engine Trucks (HyCET) research project consortium in 2022. This four-year project, funded by the German Federal Ministry for Digital and Transport, aims to demonstrate the sustainability potential of trucks with hydrogen combustion engines in transportation logistics. [See also 'Research and innovation', p. 145.](#)

The most senior level in our organization that is accountable for the implementation of our policy of reducing pollution caused by air emissions from fuel combustion in the use phase is the DEUTZ Board of Management.

Disclosure Requirement E2-2 – Actions and resources related to pollution

We have not currently established any IRO-specific actions aimed at reducing our negative contribution to pollution due to raw material extraction and processing, especially of steel and aluminum, in our upstream value chain. The reason for the absence of actions in this regard is that steel and aluminum are core materials used in the products in our classic engine portfolio and no substitutes are generally available.

¹⁴⁵ Including nitrogen oxides (NOX) and sulfur oxides (SOX).

¹⁴⁶ Engine-powered applications that, unlike off-highway applications, traditionally use the roads, e.g. trucks.

In respect of our negative contribution to pollution caused by air emissions¹⁴⁷ from the combustion of fuel in our engines in the use phase, all of our turbocharged engines fitted with charge air cooling that meet the EU Stage 5 emissions standard or higher have, since 2022, been designed so that they can also run on alternative paraffinic diesel. This means that they can be fueled by HVO¹⁴⁸ and are certified as such. As a result, the end-users of our engines can considerably improve the carbon footprint of the DEUTZ engines used in their applications and, by opting for HVO, also reduce local particulate and nitrogen oxide emissions.

Our current portfolio of the aforementioned engines has already been designed to run on HVO, so we do not have any investment or operating costs in this regard at present.

Disclosure Requirement E2-3 – Targets related to pollution

In respect of our negative contribution to pollution caused by raw material extraction and processing, especially of steel and aluminum, in our upstream value chain, we have not currently defined any measurable, outcome-oriented targets because, as explained above, steel and aluminum are core materials used in engines and no substitutes are generally available. As no actions have been established for precisely this reason, it is not possible to track any actions in this regard.

Our entire portfolio of turbocharged engines is already suitable for the use of HVO, so there are no further targets to be defined in this context. It is not currently possible to verify whether the end-users of our engines run their applications on HVO, so the effectiveness of this action cannot be tracked.

Disclosure Requirement E2-6 – Anticipated financial effects from pollution-related risks and opportunities

We continue to exercise the option of omitting disclosures on anticipated financial effects from material pollution-related risks that we have identified.

Disclosures pursuant to Article 8 of the EU Taxonomy Regulation

The EU Taxonomy Regulation (EU) 2020/852 is primarily focused on environmental objectives. These objectives are (1) climate change mitigation, (2) climate change adaptation, (3) the sustainable use and protection of water and marine resources, (4) the transition to a circular economy, (5) pollution prevention and control, and (6) the protection and restoration of biodiversity and ecosystems.

Disclosures on the taxonomy alignment and taxonomy eligibility of economic activities related to the aforementioned environmental objectives are required for the 2025 reporting year. [See also](#) 'Key performance indicators, calculation rules, and technical screening criteria', p. 119 onward, for further information on taxonomy eligibility and taxonomy alignment.

The options introduced by Commission Delegated Regulation (EU) 2026/73 of July 4, 2025, published in the Official Journal on January 8, 2026, to simplify the reporting under the EU Taxonomy Regulation were not applied for this report.

KEY PERFORMANCE INDICATORS, CALCULATION RULES, AND TECHNICAL SCREENING CRITERIA

Pursuant to Article 8 of the EU Taxonomy Regulation and Article 10 (4) of the Delegated Act (Commission Delegated Regulation (EU) 2021/2178), the key performance indicators to be disclosed for 2025 are the proportions of consolidated revenue, capital expenditure (CapEx), and operating expenses (OpEx) that we have generated from taxonomy-eligible and taxonomy-aligned economic activities.

A taxonomy-eligible economic activity is an economic activity described in the delegated acts supplementing the EU Taxonomy Regulation, regardless of whether that economic activity fulfills some or all of the technical screening criteria set out in those delegated acts.

¹⁴⁷ Including nitrogen oxides (NOX) and sulfur oxides (SOX).

¹⁴⁸ Hydrotreated vegetable oils; paraffinic fuel according to EN 15940.

An economic activity is taxonomy-aligned if it meets certain technical screening criteria and is carried out in accordance with the criteria for the minimum safeguards pursuant to Article 18 of the EU Taxonomy Regulation. The following must apply for an economic activity to be considered taxonomy-aligned:

1. The economic activity makes a substantial contribution to one or more of the six environmental objectives. With regard to climate change mitigation, for example, an economic activity makes a substantial contribution if
 - the activity itself is associated with very low or no greenhouse gas emissions;
 - the activity supports the transition to a climate-neutral economy by 2050 and there is no alternative to it;
 - the activity enables, or is capable of enabling, another economic activity to protect the climate.
2. With regard to the transition to a circular economy, for example, an economic activity makes a substantial contribution if
 - the lifetime of a product is extended, e.g. as a result of repair, refurbishment, or remanufacturing;
 - the products or product parts that have become waste are reused without any other pre-processing;
 - the second-hand product can be resold and reused without prior cleaning, repair, remanufacturing, or refurbishment.
3. The economic activity does not significantly harm any of the other environmental objectives (do no significant harm, DNSH), pursuant to Article 17 of the EU Taxonomy Regulation and the Delegated Acts).
4. The social minimum safeguards have been implemented.

The actions taken to implement the social minimum safeguards relate to human rights (including labor rights), bribery and corruption, taxation, fair competition, science, technology, and innovation. The underlying frameworks are the OECD Guidelines, the fundamental conventions of the International Labour Organization (ILO)¹⁴⁹, the International Bill of Human Rights¹⁵⁰, and the UN Guiding Principles on Business and Human Rights.¹⁵¹

Companies must implement at least the following six steps regarding human rights due diligence in order to satisfy the criteria for the minimum safeguards:

1. A responsible approach to business is firmly enshrined in the management systems, policies, and strategies.
2. The negative effects of a company's own business activities, supply chains, and business relationships are identified and evaluated.
3. Negative and/or disadvantageous effects are stopped, avoided, or reduced.
4. The implementation of measures, and the outcomes, are tracked.
5. The way in which negative effects are dealt with is communicated.
6. Where appropriate, remedial action is initiated or supported.

Revenue-related¹⁵² KPI The proportion of total revenue generated from taxonomy-eligible/taxonomy-aligned economic activities is the amount of consolidated revenue – pursuant to point 1.1.1 of Annex I of Article 8 of the EU Taxonomy Regulation – that is derived from products and services associated with taxonomy-eligible/taxonomy-aligned economic activities, divided by consolidated revenue for 2025 pursuant to IAS 1.82(a). As in the previous year, revenue consists of revenue from contracts with customers. [📖 See also](#)

'Consolidated financial statements', p. 189 onward.

¹⁴⁹ The guidelines of the Organization for Economic Co-operation and Development (OECD) are an international instrument for promoting responsible business conduct. They contain principles and standards in the areas of human rights, social responsibilities, environment, combating of corruption, taxation, consumer interests, information disclosure, research, and competition. The guidelines constitute non-binding recommendations from the OECD member states to multinational enterprises.

¹⁵⁰ Labor standards of the International Labour Organization (ILO) that define universal minimum standards for decent work. They apply regardless of a country's level of development and cover the four areas of freedom of association, prohibition of discrimination in respect of employment and occupation, abolition of child labor, and elimination of forced labor.

¹⁵¹ A global instrument for the elimination and prevention of human rights violations in economic contexts. The 31 Guiding Principles refer to the International Bill of Human Rights and the Declaration of Principles of the International Labour Organization (ILO) and give concrete form to the Protect, Respect and Remedy framework.

¹⁵² Key Performance Indicator.

KPI related to capital expenditure (CapEx KPI) The taxonomy-eligible/taxonomy-aligned CapEx KPI is calculated by dividing taxonomy-eligible/taxonomy-aligned capital expenditure by total CapEx. This encompasses additions to property, plant and equipment and intangible assets during the reporting period before depreciation, amortization, and any remeasurements, including those resulting from remeasurements and impairment for the year concerned and excluding fair value changes. The CapEx KPI also encompasses the acquisition of property, plant and equipment pursuant to IAS 16, paragraph 73, letter e), (i) and (iii), including right-of-use assets in accordance with IFRS 16 »Leases«, paragraph 53, letter (h), and additions to intangible assets pursuant to IAS 38, paragraph 118, letter e), (i). Goodwill is not included in the CapEx KPI because it is not defined as an intangible asset pursuant to IAS 38.¹⁵³

Capital expenditure is taxonomy-aligned if it can be assigned to the following three categories a), b), or c):

- a) Capital expenditure related to assets or processes that are associated with taxonomy-aligned economic activities
- b) Capital expenditure that is part of a capital expenditure plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned (not currently applicable to DEUTZ)
- c) Capital expenditure that is related to the purchase of output from taxonomy-aligned economic activities and individual measures pursuant to the EU Taxonomy Regulation that enable certain target activities to become low-carbon or that lead to greenhouse gas reductions or contribute to one of the other environmental objectives. Capital expenditure is also deemed taxonomy-aligned if the products purchased or the individual measures correspond to the description of the particular economic activity and the technical screening criteria and adhere to the minimum safeguards.

KPI related to operating expenses (OpEx KPI) The taxonomy-eligible/taxonomy-aligned OpEx KPI is defined as the OpEx KPI associated with taxonomy-eligible/taxonomy-aligned economic activities divided by total OpEx. This covers direct, non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditure relating to the day-to-day maintenance and repair of property, plant and equipment. The taxonomy-eligible/taxonomy-aligned OpEx KPI also covers operating expenses that are part of a capital expenditure plan (CapEx plan) to expand taxonomy-aligned economic activities or to transform taxonomy-eligible economic activities into taxonomy-aligned economic activities. Expenditure related to day-to-day operations is not included.

The OpEx KPI consists of the following items:

- Research and development expenditure that is recognized as an expense during the reporting period; in accordance with IAS 38.126, all non-capitalized expenses and amortization and impairment on development expenditure already capitalized that can be directly assigned to the research and development activities.
- The volume of non-capitalized leases was determined in accordance with IFRS 16 and includes expenses for short-term leases.¹⁵⁴
- Maintenance and repair costs relating to ongoing maintenance of property, plant and equipment were determined on the basis of the maintenance and repair costs allocated to the internal cost centers. The relevant cost items are included in various line items in the income statement. Building renovation work that helps to reduce carbon emissions is also included here. As a rule, the cost items are staff costs, costs for services, the cost of materials for maintenance, and costs for regular and unscheduled maintenance and repair work.

To ensure that nothing was counted more than once for the purposes of the OpEx and CapEx KPIs, we first determined all capital expenditure and operating expenses in category c) and then determined the remaining capital expenditure and operating expenses in category a). Any unassigned capital expenditure is taxonomy-non-eligible. Our capital expenditure and operating expenses can be assigned to categories a) and c) only. Revenue is recorded at the level of the individual companies to ensure that it is not counted more than once.

¹⁵³ See p. 210 onward for further details of the accounting standards.

¹⁵⁴ See also »Leases«, Note, p. 210 onward.

TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DEUTZ GROUP

In view of our business model, [See also](#) 'Business model and segments', p. 38 onward, the economic activities that were taxonomy-eligible and taxonomy-aligned in 2025 were essentially activities in the service business, activities in the DEUTZ Solutions segment – specifically in the DEUTZ NewTech business unit in relation to the DEUTZ hydrogen engine, which is being used in applications such as stationary equipment for the generation of electricity – and activities relating to the electrification of our engine portfolio. The latter include the manufacture of electric drive systems (e.g. for use in construction-site vehicles and ground support equipment), the manufacture of modular battery systems, and the manufacture of battery management systems and components by the DEUTZ subsidiaries Futavis and UMS. In our service business, the taxonomy-eligible and taxonomy-aligned economic activities comprised those that meet the conditions for the transition to a circular economy, primarily the repair, remanufacturing, and refurbishment of engines and product components, plus the sale of second-hand parts.

In addition to the aforementioned activities from which we generate external revenue, we have also identified investing activities that exclusively result in taxonomy-eligible and taxonomy-aligned CapEx. These activities relate to interdisciplinary topics and individual measures in connection with optimizing energy and heat efficiency within operations.

Identification of taxonomy-eligible and taxonomy-aligned economic activities in the DEUTZ Group As the first step in identifying taxonomy-eligible and taxonomy-aligned economic activities, we assessed which of our business activities might potentially be relevant. We did this by referring to Annexes I and II of Delegated Act 2021/2139 (in its current version) supplementing the EU Taxonomy Regulation. In addition, we analyzed and compared Delegated Acts 2023/2485 and 2023/2486 supplementing the EU Taxonomy Regulation, which were published in November 2023.

The following table shows the taxonomy-eligible economic activities – pursuant to Annex I of Delegated Act (EU) 2021/2139, including the amendments and additions from November 2023 [(EU) 2023/2486] – in the DEUTZ Group that can be assigned to the environmental objective (1) climate change mitigation and the environmental objective (4) transition to a circular economy. The analysis of economic activities does not reveal any activities for us that take into account the environmental objective (2) climate change adaptation.

Overview and assignment of taxonomy-eligible economic activities in the DEUTZ Group¹⁵⁵

Activity	Economic activity at DEUTZ
CCM 3.1. Manufacture of renewable energy technologies	Gensets with a solar panel and battery storage
CCM 3.2. Manufacture of equipment for the production and use of hydrogen	Manufacture of hydrogen engines that produce electricity in combination with a generator in stationary equipment
	Manufacture of hydrogen engines to drive rail vehicles
	Hydrogen engines to drive other applications in the future; further development with external partners
	Test rig operation with hydrogen engines in the development unit at the Cologne-Porz site
CCM 3.3. Manufacture of low carbon technologies for transport	Hydrogen tank systems
CCM 3.4. Manufacture of batteries	Hydrogen engines to drive trucks in transportation logistics
	Futavis subsidiary: manufacture of battery management systems and components
	Manufacture of battery systems for on-highway applications
CCM 3.6. Manufacture of other low carbon technologies	Manufacture of battery systems for off-highway applications
CCM 3.18. Manufacture of automotive and mobility components	Manufacture of electric drive systems, e.g. for use in construction-site vehicles and ground support equipment
CCM 4.8. Electricity generation from bioenergy	Manufacture of components for electric drive systems (UMS)
CE 5.1. Repair, refurbishment and remanufacturing	Construction or operation of gensets (Blue Star Power Systems, Inc.)
	Refurbishment and repair of engine parts (DEUTZ Xchange) in order to extend their lifetime at the Ulm site
CE 5.3. Preparation for re-use of end-of-life products and product components	Repair of electric drive systems (UMS)
CE 5.4. Sale of second-hand goods	Preparation of parts for reuse (disassembly, examination, and storage) at the Ulm site
CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Sale of cleaned and refurbished second-hand parts
CCM 7.3. Installation, maintenance and repair of energy efficiency equipment	Use (including leasing) of company cars with an electric, hybrid, or hydrogen drive
	Replacement of conventional lighting with LED lighting at the sites in Cologne-Porz and Zafra (Spain)
CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Energy-related optimization of building elements such as windows, doors, roofs, and gates
	Installation and operation of electric charging stations (including PowerTree rapid charging station) at the Cologne-Porz site
CCM 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling energy performance of	Leasing of PowerTree as charging infrastructure
	Maintenance, expansion and service of the energy monitoring system
CCM 7.6. Installation, maintenance and repair of renewable energy technologies	Installation of a photovoltaic system on top of a factory building at the Cologne-Porz site
CCM 9.1. Close to market research, development and innovation	Use of HVO in internal combustion engines
	Operation of internal combustion engines on test rigs where the brakes are linked to an electric drive that generates electricity
	Approval of a development test area for the use of HVO in internal combustion engines
	Manufacture of high-temperature filtration systems for the cement and lime industry (HJS Emission Technology)
	Use of an inhouse HVO filling station at the Cologne-Porz site

The updating of the EU Taxonomy requirements may lead to adjustments to the economic activities in the future.

¹⁵⁵ In accordance with the EU Taxonomy Regulation, the economic activities of the SOBEK Group, which was acquired in September 2025, have not been reported on because the company did not make a substantial contribution to the defined environmental objectives in 2025.

The next step was to analyze the economic activities identified as taxonomy-eligible (listed above) to assess their taxonomy alignment. [See also](#) 'Key performance indicators, calculation rules, and technical screening criteria', p. 119 onward, for details of the requirements for taxonomy alignment.

1. Substantial contribution In an in-depth analysis, we identified a substantial contribution to two environmental objectives, namely environmental objectives (1) climate change mitigation and (4) transition to a circular economy.

The table »Overview and assignment of taxonomy-eligible economic activities in the DEUTZ Group« indicates the extent and nature of the substantial contributions.

In 2022 and 2024, we calculated a greenhouse gas footprint (Scopes 1, 2, and 3) in order to provide evidence of the substantial contribution of the economic activities 3.2/3.4 and 3.6 to climate change mitigation. We also calculated a product carbon footprint¹⁵⁶ for our electric 360-volt drive system, for its internal combustion engine variant (TCD 2.9), and for the TCD 6.1 as a customer project.

2. Adherence to the DNSH criteria We believe that we have a responsibility to society to play our part in protecting the environment and mitigating climate change around the world by developing innovative drive solutions for our customers. Furthermore, we strive to fulfill our responsibility in this area by continually optimizing the processes and activities associated with our own business operations with regard to their negative impact on the environment and by continually improving our management of resources. To this end, we have also established an environmental management system certified in accordance with the international DIN EN ISO 14001:2015 standard. Over the course of 2026 and 2027, the scope of this certification will be steadily expanded to include our sites in the US and Morocco.

To assess whether the economic activities assigned to environmental objective (1) do no significant harm to the other environmental objectives, a review was conducted pursuant to the current version and scope of Commission Delegated Regulation (EU) 2021/2139, appendices A to D, as well as on the basis of the specific requirements for each economic activity. To assess whether the economic activities assigned to environmental objective (4) do no significant harm to the other environmental objectives, we conducted a review pursuant to Commission Delegated Regulation 2023/2486, appendices A to D.

2.1. Adherence to the DNSH principle for environmental objective (1) climate change mitigation Our economic activities that make a substantial contribution to the circular economy do no significant harm to environmental objective (1). By repairing and reusing second-hand and refurbished parts and components, we are actually helping to extend the lifetime of engines and electric drive systems and thereby extend their product lifecycle. This means that our customers can continue to use these engines and drive systems incorporating refurbished and repaired parts for significantly longer. An analysis of our first greenhouse gas footprint revealed a reduction in carbon emissions.

2.2. Adherence to the DNSH principle for environmental objective (2) climate change adaptation We conducted a climate risk analysis with the assistance of an external consultancy and a climatologist in order to identify the physical climate risks that are material to our taxonomy-eligible economic activities. The analysis covered the following DEUTZ sites, reflecting the location of our taxonomy-eligible economic activities based on geographical coordinates and address data: Cologne, Ulm, Aachen, Herschbach, Menden, Hirschberg a. d. Bergstrasse (all Germany), Oss (Netherlands), Sapino (Morocco), and Zafra (Spain). Future climate-related risks in the categories temperature, wind, water, and solid matter were evaluated for these sites. We took into account both chronic climate risks, i.e. those that persist over a long period of time, and acute (short-term) but severe climate risks. Four different emissions scenarios were used for the future climate outcomes: SSP1/RCP2.6, SSP2/RCP4.5, SSP4/RCP6.0, and SSP5/RCP8.5. The high-emission scenario (SSP5/RCP8.5) represents global warming of approx. 4°C by 2100. The analysis was carried out for the current climate environment (period from 2011 or 2015 to 2030) and for future climate conditions (period from 2031 to 2050 or 2100). The necessary data was taken either from the ERAS reanalysis (weather maps) or official climate models from the Intergovernmental Panel on Climate Change (IPCC) or it was compiled and processed using external hazard and risk data sets (a total of 29 climate dimensions are taken into account by the analysis). No material physical climate risks directly impacting on the economic activities identified as taxonomy-eligible were ascertained.

In addition, we consider potential risks at our direct supplier locations in order, for example, to adequately take supply risks into account when selecting and evaluating suppliers.

¹⁵⁶ The product carbon footprint (PCF) is a method of calculating greenhouse gas emissions, also known as cradle-to-grave analysis. It looks at all phases of the product lifecycle, from the extraction of the raw materials and the usage phase to the disposal of the product.

2.3. Adherence to the DNSH principle for environmental objective (3) sustainable use and protection of water and marine resources

To identify risks in connection with preserving water quality, avoiding water stress, achieving a good environmental status for watercourses and bodies of water, and avoiding the deterioration of the water status, we developed an evaluation form that sites can use to conduct a self-assessment relating to water pollution control, water supply, water disposal, and water consumption. The content of the evaluation form was based on the mandatory environmental impact assessment in accordance with the German Environmental Impact Assessment Act (UVPG). The assessment was furthermore based on Directive EU 2000/60/EC, Directive 2011/92/EU, Directive 2008/56/EC, and Commission Decision (EU) 2017/848, and on the analysis of Natura 2000 sites and protected areas. No negative impact resulting from the economic activities was ascertained.

2.4. Adherence to the DNSH principle for environmental objective (4) transition to a circular economy

The vast majority of the components that we use in our production processes are designed to last for a very long time and to be capable of being repaired and refurbished/overhauled, thereby extending their useful life. The components that are made of materials such as steel, aluminum, or copper are recyclable and still have significant value at the end of their useful life.

After being recycled by a third party, the recovered materials can be used as a secondary resource in the production of new goods. For example, old batteries are added to a register of old electrical goods maintained by Stiftung Elektro-Altgeräte-Register before important raw materials are recovered from them using efficient recycling processes, namely metallurgical, chemical, and mechanical recycling processes.

Sustainable waste management is a key component of our environmental management system, which is certified in accordance with the ISO 14001 standard. Our waste, such as metal, wood, paper, cardboard, cardboard packaging, and plastic, is sold on our behalf to third parties so that it can be recycled and reused.

2.5. Adherence to the DNSH principle for environmental objective (5) pollution prevention and control

We purchase components and raw materials for use in engine production that contain an extensive range of pure substances and minerals and that could cause harm to people and the environment if they are not handled properly. Some of these substances and minerals are subject to international regulations, including the regulation pertaining to the registration, evaluation, authorization, and restriction of chemicals (REACH) and the directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS).

An engine has an average of well over 300 parts, and a variety of different substances are contained in these parts and/or are used in their manufacturing process. The Materials Compliance function makes sure that the engines produced are continually assessed for compliance with the many environmental laws and regulations and that processes are incrementally optimized with regard to the materials and substances used. This includes introducing conformity checks in the product development process. In addition, we define materials compliance criteria to be applied when selecting production component suppliers. We have introduced an online database for materials declarations with the aim of monitoring supplier compliance with these criteria and improving the management of processes. Over time, all the materials that we process and use will be recorded in the database. This means it will include the full range of substances and minerals, and not just those that are subject to the regulation pertaining to the registration, evaluation, authorization, and restriction of chemicals (REACH) and to the directive restricting the use of certain hazardous substances in electrical and electronic equipment (RoHS).

We intend to use the information on materials declarations held in our database not only to ensure compliance with the law and relevant policies but also to take steps that will help to avoid pollution caused by the use of chemicals and their placement in the market.

Furthermore, our established approach for managing hazardous substances is aimed at either avoiding hazards entirely through the use of substitutes or reducing them to a minimum as a result of technical and organizational measures.

2.6. Adherence to the DNSH principle for environmental objective (6) protection and restoration of biodiversity and ecosystems

The evaluation form referred to in 2.2 also forms the basis for the analysis of risks relating to ecosystems and biodiversity. In addition to criteria for assessing the sustainable use of water resources, it also includes those that concern the protection of ecosystems and the preservation of biodiversity. No significant adverse effects on the protection of ecosystems and biodiversity resulting from the economic activities were ascertained. None of the sites evaluated that are relevant to our taxonomy-eligible economic activities are near to areas with fragile biodiversity, meaning that no negative impacts arise in this respect.

3. Adherence to the minimum safeguards A responsible approach to business, including in relation to human rights, bribery and corruption, taxation, and fair competition, is a high priority for us and therefore firmly enshrined in our management systems, policies, and strategies. This is also reflected in the content of various internal organizational policies and our groupwide codes of conduct for employees, suppliers, and other business partners. The codes are based on the German Supply Chain Due Diligence Act (LkSG), the UN Universal Declaration of Human Rights,¹⁵⁷ the ILO's fundamental conventions,¹⁵⁸ the OECD Guidelines for Multinational Enterprises,¹⁵⁹ the UN Guiding Principles on Business and Human Rights,¹⁶⁰ the ten principles of the United Nations Global Compact (UNGC),¹⁶¹ and other sources.

Regular classroom-based courses and annual compliance training are provided to ensure that our employees understand the content of the code of conduct and that they act in accordance with pertinent laws and regulations. The various modules include anti-corruption, antitrust law, health and safety in the office, the German General Equal Treatment Act (AGG) and non-discrimination, and – as of the 2025 reporting year – a dedicated module on the DEUTZ code of conduct. [See also](#) 'Corporate governance declaration and corporate governance report', p. 20 onward.

With regard to taxation, we have established a system for managing tax compliance that is designed to ensure lawful conduct in relation to tax matters and to minimize and avoid financial risk, reputational risk, and consequences under criminal law that could arise in the event of unlawful behavior.

As a member of the United Nations Global Compact, we attach particular importance to respect for human rights and measures to combat corruption. We have adopted a human rights code in order to emphasize our zero-tolerance approach to human rights abuses. The code applies to our employees, suppliers, and business partners alike. [See also](#) 'Corporate governance declaration and corporate governance report', p. 20 onward, and 'Purchasing and procurement', p. 48 onward.

To identify, as far as possible, any behavior that violates laws or regulations and to immediately put a stop to any proven misconduct, we have provided a publicly accessible whistleblowing system on our website for the purposes of reporting suspected violations of our codes of conduct. Every suspected violation is documented in a uniform way and treated in accordance with the groupwide compliance policy.

We have various instruments at our disposal that allow us to identify and evaluate any negative effects on our business activities, supply chains, and business relationships. For example, we conduct quarterly risk inventories for our business activities that also cover risks relating to human rights, bribery and corruption, taxation, and fair competition. We have implemented an IT-based business partner compliance tool that enables us to respond appropriately and at an early stage to matters such as suspected money laundering, anti-competitive practices, the financing of terrorism, corruption, or bribery on the part of our business partners. The tool provides a web-based self-declaration form that business partners are asked to fill out and then checks both the company itself and the members of its governing and supervisory bodies as well as the beneficial owners against up-to-date sanctions lists. On the basis of the information obtained, the business partners are classified using an internal DEUTZ risk model and, if required, action is taken to minimize risks or even terminate an existing business relationship. [See also](#) 'Corporate governance declaration and corporate governance report', p. 20.

¹⁵⁷ In its 30 articles, the declaration formulates civil, political, economic, social, and cultural rights. As a declaration of the UN General Assembly, it does not have the legally binding force of a treaty that can be ratified by individual states, but it carries great political and moral weight.

¹⁵⁸ Labor standards of the International Labour Organization (ILO) that define universal minimum standards for decent work. They apply regardless of a country's level of development and cover the four areas of freedom of association, prohibition of discrimination in respect of employment and occupation, abolition of child labor, and elimination of forced labor.

¹⁵⁹ The guidelines of the Organisation for Economic Co-operation and Development (OECD) are an international instrument for promoting responsible business conduct. They contain principles and standards in the areas of human rights, social responsibilities, environment, combating of corruption, taxation, consumer interests, information disclosure, research, and competition. The guidelines constitute non-binding recommendations from the OECD member states to multinational enterprises.

¹⁶⁰ A global instrument for the elimination and prevention of human rights violations in economic contexts. The 31 Guiding Principles refer to the International Bill of Human Rights and the Declaration of Principles of the International Labour Organization (ILO) and give concrete form to the Protect, Respect and Remedy framework.

¹⁶¹ A global pact for sustainable and responsible corporate governance. The signatories (businesses, non-governmental organizations, and other non-business entities) commit to embedding ten universally accepted principles into their strategy and contributing to the implementation of the sustainable development goals.

In addition, we use a tool that draws on publicly accessible information so that we can monitor suppliers on an ongoing basis. Compliance with our supplier code of conduct is also checked during on-site audits.¹⁶² [See also](#) 'Purchasing and procurement', p. 48 onward.

If any negative or detrimental effects were to be identified, e.g. regarding human rights, bribery and corruption, taxation, and fair competition, we would take action to stop or reduce them and to avoid them in the future. Implementation of the actions above, and the outcomes, would be tracked. Using a suitable channel, we would also communicate the way in which negative effects are dealt with and, where appropriate, would initiate or support remedial action for confirmed violations, including those relating to human rights, bribery, and corruption. In relation to negative effects attributable to our suppliers, we publish a declaration of principles pursuant to LkSG on an ad hoc basis, but at least once a year, on our website. The declaration includes a description of how we fulfill our due diligence obligations regarding human rights and the environment, the results of the regular risk analyses, and the implementation of preventive and remedial measures aimed at minimizing risk. [See also](#) 'Purchasing and procurement', p. 48 onward.

Based on the information in this section, we conclude that we satisfy the criteria for the minimum safeguards. Moreover, we have not identified any violations relating to the aforementioned topics in connection with our business activities. Consequently, there have been no convictions in court in respect of such violations.

Our taxonomy-aligned economic activities encompass those taxonomy-eligible economic activities that verifiably satisfy all criteria in Article 3 of the EU Taxonomy Regulation. [See also](#) 'Key performance indicators, calculation rules, and technical screening criteria', p. 119 onward.

¹⁶² Verification of whether processes conform to guidelines and/or meet the requirements of certain standards, where the auditor is on site and therefore has personal access to the source of information.

We do not engage in any economic activities related to nuclear power and the use of natural gas.¹⁶³

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

The following tables show our proportion of total revenue, total CapEx, and total OpEx associated with the economic activities that are taxonomy-eligible pursuant to the EU Taxonomy Regulation and, based on the analysis and checking process described above, can be considered taxonomy-aligned.

¹⁶³ Standard templates for the disclosure referred to in Article 8 (6) and (7) Template 1 Nuclear and fossil gas related activities.

Proportion of revenue in 2025 attributable to goods or services that are associated with taxonomy-aligned economic activities

2025 financial year	Year	Substantial contribution criteria								DNSH criteria (do no significant harm)								Minimum safeguards	Taxonomy-aligned (A.1.) or taxonomy-eligible proportion of revenue (A.2.), 2023	Enabling activity category	Transitional activity category
		Economic activities	Code ¹⁶⁴	Revenue	Proportion of revenue, 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		Currency €	%	Y; N; N/EL ¹⁶⁵	Y; N; N/EL ¹⁶⁶	Y; N; N/EL ¹⁶⁷	Y; N; N/EL ¹⁶⁸	Y; N; N/EL ¹⁶⁹	Y; N; N/EL ¹⁷⁰	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (taxonomy-aligned)																					
Manufacture of renewable energy technologies	CCM 3.1	8,933,389.90	0.44	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0	E		
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	920,274.00	0.05	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0	E		
Manufacture of batteries	CCM 3.4	5,008,069.00	0.25	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	11	E		
Manufacture of automotive and mobility components	CCM 3.18	5,117,656.00	0.25	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0	E		
Repair, refurbishment and remanufacturing ¹⁷¹	CE 5.1	41,891,350.33	0.02	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	208	E		
Preparation for re-use of end-of-life products and product components	CE 5.3	41,446,052.33	2.03	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	208	E		
Sales of second-hand goods	CE 5.4	41,446,052.33	2.03	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	208	E		
Revenue from environmentally sustainable activities (taxonomy-aligned) (A.1)		144,762,843.89	7.08	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	6.35			
Of which: enabling			100.00%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	100.00	E		
Of which: transitional			0	0						Y	Y	Y	Y	Y	Y	Y	Y	0.00		T	
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)																					
				EL; N/EL ¹⁷²	EL; N/EL ¹⁷³	EL; N/EL ¹⁷⁴	EL; N/EL ¹⁷⁵	EL; N/EL ¹⁷⁶	EL; N/EL ¹⁷⁷												
Manufacture of other low-carbon technologies	CCM 3.6	2,997,045.00	0.15	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.02			
Electricity generation from bioenergy	CCM 4.8	15,273,963.95	0.75	EL	N/EL	N/EL	N/EL	N/EL	N/EL												
Revenue from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		18,271,008.95	0.90	100%	0%	0%	0%	0%	0%									0.02			
A. Revenue from taxonomy-eligible activities (A.1 + A.2)		163,033,852.84	7.98	0%	0%	0%	0%	0%	0%									6.37			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
Revenue from taxonomy-non-eligible activities		1,880,771,588.62	92.02																		
TOTAL		2,043,805,441.46	100.00																		

¹⁶⁴ Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).
¹⁶⁵ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁶⁶ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁶⁷ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁶⁸ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁶⁹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁷⁰ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁷¹ The allocation of revenue figures for business activities 5.1, 5.3, and 5.4 (each accounting for 33.33%) is based on the total revenue generated (Service Xchange).
¹⁷² EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁷³ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁷⁴ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁷⁵ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁷⁶ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁷⁷ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of revenue / total revenue

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	0.98	0.9
CCA		
WTR		
CE	6.11	
PPC		
BIO		

Proportion of CapEx in 2025 attributable to goods or services that are associated with taxonomy aligned economic activities

2025 financial year	Year	Substantial contribution criteria								DNSH criteria (do no significant harm)							Taxonomy-aligned (A.1.) or taxonomy-eligible proportion of CapEx (A.2.), 2023	Enabling activity category	Transitional activity category	
		Economic activities	Code ¹⁷⁸	CapEx	Proportion of CapEx, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy				Biodiversity
		Currency €	%	Y; N; N/EL ¹⁷⁹	Y; N; N/EL ¹⁸⁰	Y; N; N/EL ¹⁸¹	Y; N; N/EL ¹⁸²	Y; N; N/EL ¹⁸³	Y; N; N/EL ¹⁸⁴	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	293,422.44	0.29	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.58	E	
Manufacture of batteries	CCM 3.4	611,524.28	0.60	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.30	E	
Manufacture of automotive and mobility components	CCM 3.18	104,089.00	0.10	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	187,496.12	0.18	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.54	E	
Installation, maintenance and repair of charging stations for electric vehicles in building	CCM 7.4	2,583.66	0.00	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.00	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	12,923.40	0.01	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.01	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	758,641.97	0.74	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0.04	E	
CapEx from environmentally sustainable activities (taxonomy-aligned) (A1)		1,970,680.87	1.93	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	1.47		
Of which: enabling			100.00%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	Y	100.00	E	
Of which: transitional			0.00%	0%						Y	Y	Y	Y	Y	Y	Y	Y	0.00		T
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)																				
				EL;N/EL ¹⁸⁵	EL;N/EL ¹⁸⁶	EL;N/EL ¹⁸⁷	EL;N/EL ¹⁸⁸	EL;N/EL ¹⁸⁹	EL;N/EL ¹⁹⁰											
Electricity generation from bioenergy	CCM 4.8	167,678.43	0.16	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.00		
Use of company cars with an electric, hybrid, or hydrogen drive	CCM 6.5	397,136.81	0.39	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.16		
CapEx from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		564,815.24	0.55	100%	0%	0%	0%	0%	0%									0.16		
OpEx from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)																				
A. CapEx from taxonomy-eligible activities (A.1 + A.2)		2,535,496.11	2.48	100%	0%	0%	0%	0%	0%									1.63		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
CapEx from taxonomy-non-eligible activities		99,650,467.84	97.52																	
TOTAL		102,185,963.95	100.00																	

¹⁷⁸ Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).
¹⁷⁹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸⁰ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸¹ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸² N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸³ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸⁴ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁸⁵ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁸⁶ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁸⁷ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁸⁸ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁸⁹ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁹⁰ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of CapEx / total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	1.93	0.55
CCA		
WTR		
CE		
PPC		
BIO		

Proportion of OpEx in 2025 attributable to goods or services that are associated with taxonomy aligned economic activities

2025 financial year	Year	Substantial contribution criteria								DNSH criteria (do no significant harm)						Taxonomy-aligned (A.1.) or taxonomy-eligible proportion of revenue (A.2.), 2024	Enabling activity category	Transitional activity category		
		Economic activities	Code ¹⁹¹	OpEx	Proportion of OpEx, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution				Circular economy	Biodiversity
		Currency €	%	Y; N; N/EL ¹⁹²	Y; N; N/EL ¹⁹³	Y; N; N/EL ¹⁹⁴	Y; N; N/EL ¹⁹⁵	Y; N; N/EL ¹⁹⁶	Y; N; N/EL ¹⁹⁷	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (taxonomy-aligned)																				
Manufacture of renewable energy technologies	CCM 3.1	4,404,199.09	3.47	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	0.43	E	
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	6,484,391.00	5.11	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	9.81	E	
Manufacture of low carbon technologies for transport	CCM 3.3	183,080.00	0.14	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	1.61	E	
Manufacture of batteries	CCM 3.4	12,631,065.37	9.96	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	11.61	E	
Manufacture of automotive and mobility components	CCM 3.18	2,378,116.00	1.88	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	0.00	E	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	67,986.14	0.05	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	0.00	E	
Close to market research, development and innovation	CCM 9.1	110,910.60	0.09	J	N/EL	N/EL	N/EL	N/EL	N/EL	J	J	J	J	J	J	J	J	0.09	E	
OpEx from environmentally sustainable activities (taxonomy-aligned) (A1)		26,259,748.20	20.71	100%	0%	0%	0%	0%	0%	J	J	J	J	J	J	J	J	23.55		
Of which: enabling			100.00	100%	0%	0%	0%	0%	0%	J	J	J	J	J	J	J	J	0.00	E	
Of which: transitional			0.00	0%						J	J	J	J	J	J	J	J	0.00		T
A.2. Taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities)																				
Manufacture of equipment for the production and use of hydrogen	CCM 3.6	2,956,155.00	2.33	EL	N/EL	N/EL	N/EL	N/EL	N/EL									4.80		
Use of company cars with an electric, hybrid, or hydrogen drive	CCM 6.5	67,052.93	0.05	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.05		
OpEx from taxonomy-eligible, but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		3,023,207.93	2.38	100%	0%	0%	0%	0%	0%									4.85		
A. OpEx from taxonomy-eligible activities (A.1 + A.2)		29,282,956.13	23.09	100%	0%	0%	0%	0%	0%									28.40		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx from taxonomy-non-eligible activities		97,541,720.68	76.91																	
TOTAL		126,824,676.81	100.00																	

¹⁹¹ Abbreviation of the respective goal to which the economic activity can make a significant contribution (climate protection: CCM corresponds to Climate Change Mitigation; circular economy: CE corresponds to Circular Economy).
¹⁹² N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹³ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹⁴ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹⁵ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹⁶ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹⁷ N/EL - not eligible, activity that is taxonomy-non-eligible in respect of the relevant environmental objective.
¹⁹⁸ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
¹⁹⁹ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
²⁰⁰ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
²⁰¹ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
²⁰² EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.
²⁰³ EL - eligible, activity that is taxonomy-eligible in respect of the relevant objective.

Proportion of OpEx / total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
	%	%
CCM	20.71	2.38
CCA		
WTR		
CE		
PPC		
BIO		

Quantitative breakdown of CapEx (€)Del. RA
2021/2178

Annex I Art. 1.2.3.2. a

Economic activity	Additions to property, plant and equipment	Additions to property, plant and equipment	Additions through right-of-use assets
3.2	293,422.44	0.00	0.00
3.4	611,524.28	0.00	0.00
3.18	104,089.00	0.00	0.00
4.8	167,678.43	0.00	0.00
6.5	397,136.81	0.00	0.00
7.3	187,496.12	0.00	0.00
7.4	2,583.66	0.00	0.00
7.5	12,923.40	0.00	0.00
7.6	758,641.97	0.00	0.00
Total	2,535,496.11	0.00	0.00

Quantitative breakdown of OpEx (€)Delegated Act
2021/2178

Annex I Art. 1.2.3.3. a

R&D costs	29,037,006.46
Building renovation measures	0.00
Non-capitalized leases	0.00
Maintenance and repair	67,052.93
Total	29,104,059.39

Social information

The Company's workforce

Disclosure Requirement related to ESRs 2 SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

As part of our most recent materiality assessment, we identified a material negative impact on our employees' health and safety. We have not identified any sustainability-related risks and opportunities related to social matters.

Hazardous working conditions due to non-compliance with statutory and inhouse regulations and standards or due to a lack of occupational health and safety precautions can have a negative impact on employees' health. The negative impact we identified is relevant to all employees of the DEUTZ Group and to external workers who work for us at our sites.

We have not currently identified any negative impacts on our own workforce resulting from the transition to a more environmentally friendly, climate-neutral economy.

Impacts	Type and extent of impact	Link to business model	Impact trigger	Expected time horizon of impact
Negative contribution to own workforce due to potential health risks (occupational safety)	Negative potential impact on the workforce	Inherent part of our business model and our business activities as a manufacturing company	Effects arise directly from DEUTZ	Short-term (> 1 year)

The issue of health hazards already influences our corporate strategy and occupational safety strategy. For example, occupational health and safety was incorporated into our sustainability strategy when we established it back in 2019. For this reason, we have always worked to improve our occupational health precautions, even before this was identified as a material impact in the context of our double materiality assessment. As part of a continual improvement process, the impact identified as material will therefore continue to be taken into consideration in the future strategic development of occupational safety. Awareness-raising actions such as our mandatory compliance training on occupational safety were held once again in 2025. The systematic transfer of the Company's responsibilities for occupational health and safety to its managers was a key element in 2025. Numerous in-person events emphasized the importance of taking responsibility in occupational health and safety. Another area of focus in 2025 was the introduction of software-based risk assessment systems as part of the ongoing digitalization of occupational health and safety.

The occupational safety strategy and the actions based on it were not fully adopted in 2025. However, building on the analyses that we had started in the prior year, we have raised our ambitions and laid the foundations for further systematic development. We plan to thoroughly review the resilience of our strategy and business model in 2026 and derive the actions necessary to effectively manage the material impacts of this topic.

The potential negative impact on our own workforce that we have identified is directly related to our strategy or is derived directly from our business model. Experience shows that, as a manufacturing company, we cannot completely rule out potential health hazards, especially work-related accidents, and this is particularly the case in production operations. Nevertheless, the fact that negative impacts may arise does not mean that we have to adjust our business model or our corporate strategy. On the other hand, we are continually refining our occupational safety strategy.


According to our most recent materiality assessment, risks and opportunities do not arise from the impacts and dependencies associated with our own workforce. The last time we examined our strategy and business model, we were also unable to identify any risks or opportunities in relation to our own workforce.

The information disclosed in this sustainability statement on health hazards relevant to occupational safety is based on our most recent materiality assessment in 2023/2024. It identified this topic as material only for our own operations. No material impacts were identified for this topic in the upstream and downstream value chain.

In principle, all employees working at our sites – in other words, not only our own employees but also self-employed persons and persons provided by third-party companies – may be affected by work-related health hazards and their negative impacts. As the actions that we take to prevent health hazards are workplace-related and not person-related, the preventive actions described below also cover external employees, unless otherwise stated.

The material negative impact that we have identified is common and widespread in manufacturing companies like ours.²⁰⁴

Our 2023/2024 materiality assessment identified neither material opportunities nor material risks caused by internal or external climate change mitigation efforts or in relation to our own workforce. At present, we do not have any transition plans for reducing the negative impacts on the environment and achieving greener and climate-neutral operations. To this extent, we are unable to make a well-founded statement as to whether the continuation of our climate change mitigation efforts would exert any further material impacts on our workforce, such as restructuring or job losses, or whether opportunities would arise, such as through retraining or the creation of new jobs as part of the transformation of our product portfolio.

Our production facilities and assembly plants are located in Germany, Morocco, Spain, the Netherlands, and the USA. With regard to our own business and operations as well as the countries or geographical areas in which our production and assembly activities take place, we are not aware of any significant risks in relation to forced or child labor based on our human rights-related risk analyses.  See also our remarks about human rights-related risk analyses on p. 135. Furthermore, we do not consider our production activities to be at-risk activities, in other words, those that are typically associated with an increased risk of forced or child labor.

In order to develop an understanding of the extent to which people with certain characteristics and/or areas of activity may be more at risk than others in terms of potential health hazards, we use our monthly accident statistics, which include an analysis and classification by area.

Our material negative impacts relate to all our employees. In other words, they are independent of age, location, and area of activity. Even if, on the basis of the above statistics, it can be assumed that workers in the manufacturing areas are exposed to a greater health risk than workers in administrative areas, we have not excluded any group of workers, as the right to physical integrity is one of the fundamental rights of every human being.

Impact, risk, and opportunity management

Disclosure Requirement S1-1 – Policies related to the Company's workforce

In light of the identified negative impact on our own workforce from potential health hazards, we aim to meet the requirements of DIN EN ISO 45001 at our DEUTZ AG sites as part of our integrated management system policy. DIN EN ISO 45001 sets out the requirements for an effective system for managing occupational health and safety. It is primarily aimed at ensuring a safe working environment and thus at preventing accidents at work. Regular monitoring audits by external certification authorities ensure that a continual improvement process is in place. A successful DIN EN ISO 45001 monitoring audit of our German sites was conducted in 2025.

The scope of our policy and of DIN EN ISO 45001 is limited to our own operations and to employees and – as required by the standard – external workers at DEUTZ AG's production sites. Consequently, our upstream and/or downstream value chain is not covered by the standard.

Overall responsibility for the integrated management system policy, and thus for our occupational health and safety policy, rests at the highest level with the DEUTZ AG Board of Management. At the operational level, DEUTZ Sicherheit is tasked with monitoring the policy and coordinating the implementation of related actions.

²⁰⁴ We base this statement on a comparison of accident figures from the various employers' liability insurance associations; source: <https://www.dguv.de/de/zahlen-fakten/au-wu-geschehen/au-1000-vollarbeiter/index.jsp>.

The production site of our subsidiary DEUTZ SPAIN in Zafrá has been DIN EN ISO 45001-certified since 2019; it must also conduct regular external audits to maintain its certification, which covers the local production site and likewise does not include the upstream and/or downstream value chain. Overall responsibility for the local occupational safety policy lies at the highest level with the subsidiary's managing director.

The production sites of our subsidiaries Blue Star Power Systems (USA), DEUTZ Corporation (USA), MAGIDEUTZ (Morocco), SOBEK (Germany), UMS (Netherlands), and Futavis (Germany) are not certified under an occupational safety standard.

DEUTZ AG's DIN EN ISO 45001 certificate is published on the corporate website.

We have set out our commitments in the area of human rights policy in a groupwide human rights code. This documents our most important human rights principles, including those relating to employee rights, forced labor and child labor, and reaffirms our agreement with the content of international conventions and declarations such as the United Nations Guiding Principles on Business and Human Rights, the UN Universal Declaration of Human Rights,²⁰⁵ and the ILO fundamental conventions.^{206,207} The Board of Management has overall responsibility for implementation of the human rights code.

Our human rights code is available to employees on the intranet and to external third parties on our Company's website.

We have established the following processes and mechanisms to monitor compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises²⁰⁸ in relation to our own business operations.

We regularly conduct risk analyses in accordance with LkSG in order to identify human rights-related and other risks in our own business operations.²⁰⁹ Here, we pursue a three-stage approach:

1. Identifying risks using an established information tool that draws on internal and external data sources – including reports on working practices and human rights matters – and enables continuous abstract monitoring.
2. Holding expert meetings in areas such as corporate compliance, occupational health and safety, human resources, and internal audit.
3. Identifying risks at DEUTZ AG and generally in all domestic and foreign subsidiaries by means of an LkSG-specific questionnaire, with some companies included directly or via affiliated entities.

Our LkSG declaration of principles, which is updated at least once a year and contains the results of the aforementioned risk analyses, is publicly available on our Company's website.

At DEUTZ AG and the Spanish subsidiary MAGIDEUTZ, people from our own workforce are involved via the works councils that they elect. Direct dialogue occurs in the context of works meetings. [📄 See also](#) 'Disclosure Requirement SBM-2 – Interests and views of stakeholders', p. 94 onward. Moreover, compliance training for employees includes awareness-raising and training on human rights issues. [📄 See also](#) p. 136.

In order to effectively remedy and/or enable remedial action in the event of negative impacts on human rights, every suspected case that is reported is recorded in accordance with uniform and binding Company-wide guidelines and handled in accordance with a groupwide compliance organizational policy, for the implementation of which the Board of Management is responsible. Any potentially grave violations are investigated by a specially appointed compliance committee comprising the Chief Compliance Officer, the Head of Legal, the Head of Corporate Audit, and the Head of HR.

²⁰⁵ A global instrument for the elimination and prevention of human rights violations in economic contexts. The 31 Guiding Principles refer to the International Bill of Human Rights and the Declaration of Principles of the International Labour Organization (ILO) and give concrete form to the Protect, Respect and Remedy framework.

²⁰⁶ Labor standards of the International Labour Organization (ILO) that define universal minimum standards for decent work. They apply regardless of a country's level of development and cover the four areas of freedom of association, prohibition of discrimination in respect of employment and occupation, abolition of child labor, and elimination of forced labor.

²⁰⁷ The issue of human trafficking and the age aspect are currently not explicitly mentioned in our human rights code, although there is no reason for this.

²⁰⁸ The guidelines of the Organisation for Economic Co-operation and Development (OECD) are an international instrument for promoting responsible business conduct. They contain principles and standards in the areas of human rights, social responsibilities, environment, combating of corruption, taxation, consumer interests, information disclosure, research, and competition. The guidelines constitute non-binding recommendations from the OECD member states to multinational enterprises.

²⁰⁹ SOBEK, DEUTZ Turkey, and Double Down Heavy Repair, all acquired in the second half of 2025, and DEUTZ Defense GmbH, established at the end of December 2025, were not included in the 2025 risk analysis. They are scheduled for inclusion in 2026.

If suspected violations or breaches are subsequently confirmed, we take proportionate and appropriate action. If a violation can be traced back to a DEUTZ employee, action under employment law and/or disciplinary action will be taken in accordance with internal rules.

Our human rights policy²¹⁰ established in 2022 is aimed at eliminating discrimination and harassment based on race, ethnic origin, skin color, gender, sexual orientation, gender identity, disability, religion, political opinion, national origin, and social background, and at promoting equal opportunities, diversity, and inclusion. We have taken a range of actions in this respect, including internal development programs specifically for female junior managers, a cross-mentoring program, our talent program that is specifically oriented to talented female employees, our InDEUTZ initiative launched in 2024, which is specifically committed to diversity, equity, and inclusion (DE&I) within our Company, and the appointment of a gender equality officer in 2024. Moreover, recruitment decisions should be made solely on the basis of the candidate's professional suitability and there should be equal pay for women and men. In any case, gender-specific salary differences for equivalent jobs are ruled out from the outset for the majority of DEUTZ AG employees as they are covered by a binding collective pay agreement.

In respect of our workforce in Germany, we are subject to a political and statutory obligation under section 154 of the German Social Security Code (SGB) IX to fill at least 5% of our jobs with employees with disabilities or equivalent status. The Company has no further internal obligations.

The particular interests of DEUTZ AG employees with disabilities or equivalent status are monitored and protected by the disabled persons' representative and an Inclusion Officer. Performing a similar role to that of the DEUTZ AG works council, the disabled persons' representative ensures that DEUTZ AG adheres to the laws, collective pay agreements, and works agreements that are in place for disabled employees. [See also](#) 'Disclosure Requirement SBM-2 – Interests and views of stakeholders', p. 94 onward.

To support our employees in their efforts to avoid breaking the law or breaching regulations, they are required to complete annual compliance training in the form of e-learning courses or classroom-based training. In addition to fixed modules such as occupational safety in the office, the training program also includes modules on equal treatment and the German General Equal Treatment Act (AGG), for example. In addition, DEUTZ introduced a new training module on the groupwide code of conduct in 2025. [See also](#) 'Corporate governance declaration and corporate governance report', p. 20 onward.

In 2021, we signed up to the Diversity Charter to lend weight to our efforts to establish an equality-friendly management culture. We regularly participate in the charter's initiatives, such as the annual Diversity Day.

Disclosure Requirement S1-2 – Processes for engaging with the Company's own workforce and workers' representatives about impacts

Our employees are involved in managing both actual and potential impacts on our own workforce, either through their employee representatives or directly. Every DEUTZ AG employee can contribute ideas to improve occupational health and safety, for example by submitting suggestions through our ideas management process. Employees can also raise concerns relating to occupational health and safety in their own workplace or of a more general nature with their line manager, or with the occupational safety specialist during safety inspections.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for the Company's own workers to raise concerns

We do not currently have a formal process in place that governs the implementation of, or our participation in, remedial action in cases where we have caused material impacts on members of our own workforce.

Our employees have access to various reporting channels, which can also be used anonymously, through which they can express concerns in connection with employee matters or any other topic: Firstly, they can contact their line manager, the Chief Compliance Officer, the compliance coordinators, the HR department, the Company employee representatives, and the Inclusion Officer and/or Equality Officer directly. Secondly, a publicly accessible whistleblowing system exists on our website that we have set up ourselves. In addition, information can be reported by email, post, or fax.

²¹⁰ The issue of human trafficking and the age aspect are currently not explicitly mentioned in our human rights code, although there is no reason for this.

In order to process complaints relating to employee matters effectively, every complaint is recorded in accordance with uniform and binding Company-wide guidelines and handled in accordance with a groupwide organizational policy, for which the Chief Compliance Officer bears overall responsibility. Any potentially grave violations are investigated by a specially appointed compliance committee comprising the Chief Compliance Officer, the Head of Legal, the Head of Corporate Audit, and the Head of HR.

No procedure is in place to ensure the effectiveness of the aforementioned channels.

We support the availability of channels for reporting complaints relating to employee concerns in the workplace by ensuring that the digital reporting channels are available around the clock. The whistleblowing system can be accessed via both the Company website and the intranet. Moreover, the direct contact persons are available at any time without the need for an appointment.

At present, we do not have a procedure in place to determine whether our own employees are aware of, and trust, the existing reporting and grievance mechanisms.

Individuals who, in good faith, raise concerns, address actual or suspected misconduct, or report such matters through our forementioned reporting channels must not be – and are not – disadvantaged or punished in any way or under any circumstances. This also applies if the suspicion of misconduct subsequently proves to be unfounded. Any incidents of discrimination, intimidation, or hostility in connection with a suspicion or report are investigated and punished in the same way as all other incidents. This is also set out in our general code of conduct.

ESRS S1-4 – Taking action on material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches

As a DIN EN ISO 45001-certified company, we take comprehensive action to promote our employees' health and safety. Our occupational health and safety management system is based on preventive, systematic, and continual improvement processes aimed at minimizing risks and ensuring a safe working environment.

Even though not all of our production sites are certified under the aforementioned standard, around 68%²¹¹ of our employees are covered by it.

²¹¹ Calculation based on headcount.

Actions taken in the reporting year and planned for the future		Scope of key actions in terms of activities and geography of upstream and/or downstream value chain	Time horizon for implementation of actions
Internal DIN-EN-ISO-45001 inspection	Regular internal audits	Cologne, Herschbach, Ulm (Germany), Zafra (Spain)	Annually (Zafra); rolling at all locations every three years
Risk assessments	Observe risks in occupational health and safety and derive measures	Group-wide	Annual audit as well as in the event of process changes and new processes/systems
Safety inspections	Observe risks in occupational health and safety and derive measures	Cologne, Herschbach, Ulm (Germany)	At least once a quarter per plant section
Accident analyses	Derivation of improvements	Group-wide	Occasion-related for every reportable accident
Safety training	Employee awareness-raising	All DEUTZ employees and external workers working on the Company premises	General safety instruction and instruction on hazardous substances at least once a year/ External workers receive safety instruction on site
Near-accident management	Derivation of improvements	Group-wide	Every critical near miss / compilation of one-pagers
Emergency plan and emergency drills	Derive improvements / raise employee awareness	Group-wide	For new installations and as repetition without a fixed interval
First aider and fire safety assistant training	Employee awareness-raising	Group-wide	Every two years
Occupational Safety Committee	Derivation of improvements/ raise employee awareness	Cologne, Herschbach, Ulm (Germany)	At least once a quarter per plant section
Continuing professional development for employees on occupational health and safety	Increase skills and expertise	Cologne (Germany)	Ongoing
Introduction of digital occupational health and safety software	Improve documentation and tracking	Germany	Ongoing
Global dialogue on safety	Share experiences and examples of best practice	Germany, Spain, USA	Ongoing
Ergonomics advice	Identify improvements / raise employee awareness	Cologne (Germany)	Ongoing
Delegation of responsibilities to managers	Raise manager awareness	Cologne, Herschbach, Ulm (Germany)	Ongoing

Our most recent IRO assessment did not identify any actual material impacts related to our own workforce, and thus no remedial action had to be taken in this regard.

We do not consider the investment and operating costs required to implement the aforementioned actions to be significant in relation to the total investment and operating costs and consequently do not report them separately.

We do not have an IRO-specific process through which we determine which actions are necessary and appropriate to respond to the negative impact on our workforce that we have identified. When taking occupational safety action, we rely primarily on compliance with the requirements of the DIN EN ISO 45001 standard for occupational health and safety, under which we are certified.

To date, we have monitored and evaluated the effectiveness of our actions and initiatives in relation to achieving improvements in the area of occupational safety on the basis of accident frequency (recordable incident rate, RIR).²¹² [See also](#) 'Disclosure Requirement S1-5 – Targets related to managing material negative impacts', p. 139.

²¹² Number of reportable accidents at work per year per million hours worked. An accident is deemed reportable if it occurs during working hours on the Company's premises while an insured activity is taking place and results in an absence of more than three calendar days.

Our DIN EN ISO 45001-certified management system ensures that material risks for our employees are minimized and opportunities are exploited in a targeted manner. Occupational health and safety is a top priority, which is why regular risk assessments, safety inspections, and training courses, for example, are conducted. We have various measures in place to promote a good work-life balance, including flexible and remote working time models and programs that promote mental and physical health.

To ensure long-term employee retention, we offer attractive remuneration systems, extensive training programs, and alliances with educational institutions aimed at securing the availability of skilled workers. The digitalization of training actions and the automation of physically demanding activities create additional development opportunities. Through annual audits and continuous feedback, we are constantly optimizing our actions to ensure a safe and motivating working environment.

For more information about our actions and/or initiatives aimed at achieving a positive impact on our workforce, see our disclosures on ESRS 2 SBM-2 – Interests and views of stakeholders, p. 94 onward and p. 138.

To avoid breaching human rights or being complicit in such breaches, and thus causing material negative impacts on its workforce, DEUTZ has established a groupwide human rights code that is binding for every employee in the Company. [See also p. 136 onward](#). In addition, the works council and the employee representatives on the Supervisory Board ensure that employees’ interests are taken into consideration in business decisions and that socially acceptable solutions are found in the event of decisions that have or could have a negative impact on the workforce. [See also Disclosure Requirement SBM-2 – Interests and views of stakeholders, p. 94 onward](#). One example is the voluntary redundancy program. In the second half of 2024, DEUTZ launched a focused cost-cutting program, Future Fit, in order to raise its long-term competitiveness and mitigate the economically challenging market conditions. It includes a voluntary redundancy program to reduce excess personnel resources, primarily in R&D at the Cologne site. [See also ‘Business performance in the DEUTZ Group, Earnings’, p. 56](#). An agreement has been reached between DEUTZ AG and the works council in Cologne to ensure that the social impact of redundancies is minimized. For example, every participant in the program receives a severance payment.

The management of occupational health and safety at DEUTZ AG is organized by DEUTZ SICHERHEIT Gesellschaft für Industrieservice mbH. Its original business activity consists of implementing the aforementioned occupational safety actions on an ongoing basis, for which no separate financial resources are required.

Disclosure Requirement S1-5 – Targets related to managing material negative impacts

As explained above, we have used the RIR to track the effectiveness of the aforementioned actions to manage material negative impacts in the area of occupational safety and have also set ourselves targets for continual improvement as part of the sustainability strategy that we established in 2019.

In 2024, we decided to track the effectiveness of our occupational safety actions in the future using the lost time injury rate (LTIR).²¹³ However, we do not currently have any specific quantitative targets, nor do we track the effectiveness of our IRO-specific actions in any other way. Now that we are reporting LTIR for the first time in 2025, we aim to define a specific LTIR target in 2026. As RIR is an ESG component of our sustainability-linked loan, we will continue to track RIR internally up to the end of the loan term in 2028.

S1-6 – Characteristics of the undertaking’s employees

	2025	2024
Gender	Number of employees (head count)	
Female	909	733
Male	5,029	4,382
Other	0	0
n.a.	0	0
Total number of employees	5,938	5,115

	2025	2024
Country²¹⁴	Number of employees (head count)	
Germany	3,872	3,213
Spain	478	574
USA	678	563

²¹³ Work-related accidents with at least one day lost divided by hours worked x standardization factor.
²¹⁴ Countries where 50 or more people were employed, accounting for at least 10% of our total headcount.

Female		Male		Other		n.a.		Total	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees (head count)									
909	733	5,029	4,382	0	0	0	0	5,938	5,115
Number of employees with permanent employment contracts (number of individuals)									
883	713	4,868	4,200	0	0	0	0	5,751	4,913
Number of employees with fixed-term employment contracts (number of individuals)									
26	21	152	180	0	0	0	0	178	201
Number of on-call staff (number of individuals)									
0	0	9	2	0	0	0	0	9	2

A total of 653 (2024: 373) of our employees²¹⁵ left the Company in 2025. The employee turnover rate was 11.00% (2024: 7.30%) in the reporting period.

The above data is stated as the number of individuals (headcount). The total figures in the table above reflect the average figures for the reporting period. For this purpose, the sum of the quarterly figures was divided by four.

DEUTZ generally manages short-term peaks in demand for labor as a result of unexpected increases in production volume by offering flexible employment conditions in the shape of fixed-term and temporary employment contracts. Due to the decrease in production volumes in the engines business caused by the economic downturn, DEUTZ has allowed some fixed-term employment contracts to expire, which explains why they make up a low proportion of the Group's workforce.

The total number of employees based on headcount, and breakdowns by gender and country for countries in which we have 50 or more employees representing at least 10% of our total number of employees cannot be reconciled with the information in Note 35 in the consolidated financial statements. A comparison is not possible as the number of employees is stated in FTEs (full-time equivalents) as at December 31 in both the management report and in the notes to the financial statements. Employee-related disclosures can be found in the management report on page 49.

Disclosure Requirement S1-17 – Incidents, complaints, and severe human rights impacts

	2025	2024
Total number of reported cases of discrimination ²¹⁶	8	4
Number of complaints submitted via channels through which DEUTZ employees can raise concerns ²¹⁷	16	12

We are not aware of any complaints concerning our Company that have been submitted to national contact points for multinational OECD companies.

The total amount of material fines, sanctions, and compensation payments in connection with the incidents and complaints listed in the table above amounted to €0.00 in 2025 (2024: €0.00).

	2025	2024
Number of severe human rights incidents ²¹⁸	0	0
<i>of which violations of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and/or the OECD Guidelines for Multinational Enterprises</i>	0	0

The total amount of material fines, sanctions, and compensation payments in connection with the incidents and complaints listed in the table above amounted to €0.00 in 2025 (2024: €0.00).

²¹⁵ Based on headcount.

²¹⁶ The disclosures include, subject to the relevant privacy regulations, work-related incidents of discrimination on the grounds of gender, racial or ethnic origin, nationality, religion or belief, disability, age, sexual orientation, or other relevant forms of discrimination involving internal and/or external stakeholders across operations in each case in the entire reporting period. This includes incidents of harassment as a specific form of discrimination.

²¹⁷ Including complaint mechanisms.

²¹⁸ Human rights incidents involving forced labor, human trafficking, and/or child labor.

S1-14 – Health and safety metrics

	Employees 2025	Employees 2024	External Workers²¹⁹
Percentage of individuals covered by the health and safety management system ²²⁰	68.23%	71.46%	n.a.
Fatalities as a consequence of work-related injuries and illnesses	0 ²²¹	0	n.a.
Number of reportable accidents at work	77 ²²²	87	n.a.
Ratio of reportable accidents at work ²²³	9.89% ²²⁴	11.91%	
Number of notifiable work-related illnesses	n.a. ²²⁵	n.a. ²²⁶	n.a.
Days lost due to work-related injuries and fatalities as a result of occupational accidents and work-related illnesses and resulting fatalities	n.a. ²²⁷	n.a. ²²⁸	n.a.

²¹⁹ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²²⁰ DIN-EN-ISO-45001-certified management system; percentage calculated on a headcount basis.

²²¹ Figure excludes the SOBEK Group acquired in the second half of the year.

²²² Angabe exklusive der in der zweiten Jahreshälfte erworbenen SOBEK-Gruppe.

²²³ LTIR 2024 without the number of notifiable work-related illnesses.

²²⁴ Figure excludes the SOBEK Group acquired in the second half of the year.

²²⁵ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²²⁶ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²²⁷ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²²⁸ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

Entity-specific disclosures

Research & innovation

Material impacts, risks, and opportunities and their interaction with strategy and business model

Our materiality assessment has identified material IROs in the area of research and innovation (R&I) that are of key importance to us.

Our R&I activities, which equate to the DEUTZ Group's research and development (R&D) activities, and the resulting ongoing development of the product and service portfolio are material in terms of environmental and social impacts as well as financial opportunities as defined in ESRS. Research and development in the engines business (Engines & Services segment) is aimed in particular at reducing the emissions of the internal combustion engines in the portfolio and thereby making the products sold by DEUTZ more environmentally and climate-friendly in the downstream value chain – in other words, in operation at the end customer – than would be the case without ongoing R&D activities. In the DEUTZ NewTech business unit, which forms part of the DEUTZ Solutions segment, our R&I activities are resulting in a product portfolio that, by including electric drive systems and hydrogen internal combustion engines, will enable virtually or locally emission-free operation of the drives in the various application segments.

In the course of our IRO assessment, we have identified three material environmental and social impacts and three material financial opportunities in connection with R&I. They are explained below.

Negative environmental impacts due to one-dimensional research & development: To date, we have only generated a profit with engines and drive systems in the Engines & Services segment, in other words, in our traditional business of internal combustion engines and related services, and more specifically, largely with conventional diesel engines. The NewTech business unit is making losses as the revenue that we are generating from the alternative drives we offer is still very low, while considerable costs – especially for R&D – are being incurred. In the short term, focusing business activities and consequently R&D activities on traditional internal combustion engines would therefore boost earnings. At the same time, however, these one-dimensional R&D actions would have negative long-term impacts on the environment, as we are a leading supplier of drives for the off-highway segment and we would no longer be a driver of innovation and a provider of alternative drive solutions for these applications.

Reducing emissions by avoiding fossil fuels: Positive impacts could arise because DEUTZ's R&D actions enable it to offer products that do not require fossil fuels for operation, thereby reducing greenhouse gas emissions and exhaust gases that are harmful to health. Both electric drives and internal combustion engines powered by fuels such as HVO²²⁹ or synthetic fuels play a role in this context.

Knowledge transfer and positive synergy effects through networks and partnerships: We are involved in various bodies and initiatives aimed at sustainable industrial transformation in our areas of activity and at promoting political and societal support for sustainable drive solutions. We also cooperate bilaterally and in consortia with other industrial companies. This can help to ensure that advanced and consequently less environmentally and climate-damaging engines become established more quickly worldwide and that alternative drive systems are developed and produced more rapidly and successfully by pooling knowledge and financial resources.

Inhouse initiative to design a low-emission engine: Low-emission engines developed by us represent a financial opportunity, as they are likely to be in high demand worldwide and would consequently be a significant driver of revenue and earnings. Demand is likely to be driven by the private sector and society as well as by political decisions.

Growth through hydrogen-related developments: Our R&D actions in relation to hydrogen present a financial opportunity that can be unlocked if hydrogen internal combustion engines become established as an environmentally and climate-friendly alternative in both the on-highway and off-highway segments. Such a trend depends, however, on a number of factors, including the expansion of the necessary infrastructure, the supply of green hydrogen, and regulatory issues.

²²⁹ Hydrotreated vegetable oil is an innovative biofuel produced from biological waste, slurry, and used cooking oils and fats, and is therefore not in competition with food production. Its properties are very similar to fossil-based diesel and, as a result, it can be used as a direct replacement.

Growth through the DEUTZ NewTech business unit:²³⁰

Future growth in the DEUTZ NewTech business unit also represents a financial opportunity for us. [See also](#) 'Strategy and objectives', p. 39 onward. For example, our customers in the Construction Equipment, Material Handling, and Agricultural Machinery application segments are in the midst of a fundamental, long-term transition to greater climate neutrality, as a consequence of which demand for alternative drive solutions is increasing or is likely to increase. For this reason, a product and service portfolio that is geared to this transition in the DEUTZ NewTech business unit has a very high probability of having a positive impact on our revenue and our earnings.

The following table shows our R&I-related impacts and how they relate to our business model:

Impacts ²³¹	Type and extent of impacts	Link to business model	Impact trigger	Expected time horizon of impact
Negative contribution to climate change through one-dimensional R&D, especially in further development of the combustion	Negative actual impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Positive contribution to climate change mitigation through potential GHG emission reductions by avoiding fossil fuels (P)	Positive potential impact on the environment	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)
Positive contribution to industry transformation through potential knowledge transfer and positive synergy effects through networks and partnerships (P)	Positive potential impact on the environment and society	DEUTZ's core business and consequently an important part of the business model	Effects arise directly from DEUTZ	Long-term (> 5 years)

The material risks and opportunities relating to R&I that arise from our business activities can have financial effects on our financial position. For this reason, our focus is on proactively minimizing risks and exploiting opportunities in order to limit

negative financial effects while at the same time leveraging long-term opportunities and realizing the resulting potential. The following table shows the financial effects of the risks and opportunities that we have identified as material.

Risks/opportunities (including risks for which an adjustment of carrying amounts is required in the next reporting period)	Current financial impacts of opportunities/risks	Expected financial effects of the impacts (short, medium and long term) ²³²	Expected time horizon of impact ²³³
Financial benefit through increase in market share through the 'Green' segment²³⁴	> €75 million	n.a.	n.a.
Financial benefit through increased market share in the hydrogen sector	> €75 million	n.a.	n.a.
Financial benefit through increased market share in the area of low-emission engines	€50–75 million	n.a.	n.a.

We intend to take the R&I-related IROs identified as material into consideration in the further development of our corporate strategy and to establish processes for factoring such IROs into decision-making processes in the future.

²³⁰ DEUTZ adjusted its segment structure with effect from January 1, 2025. While the Company's operating activities had been divided into the DEUTZ Classic and DEUTZ Green segments in 2024, the segment reporting comprised the DEUTZ Engines & Services and DEUTZ Solutions segments in 2025. The DEUTZ Solutions segment included not only alternative drives but also those business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. The DEUTZ Solutions segment comprised two business units: DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy.

²³¹ (A) = actual, (P) = potential.

²³² Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²³³ Not specified, as we do not make any phase-in disclosures in this sustainability declaration.

²³⁴ DEUTZ adjusted its segment structure with effect from January 1, 2025. While the Company's operating activities had been divided into the DEUTZ Classic and DEUTZ Green segments in 2024, the segment reporting comprised the DEUTZ Engines & Services and DEUTZ Solutions segments in 2025. The DEUTZ Solutions segment included not only alternative drives but also those business activities that go beyond engine manufacturing and service and are located in markets in which DEUTZ is already familiar with the technology and associated service business. The DEUTZ Solutions segment comprised two business units: DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy.

We aim to effectively manage material R&I-related impacts and risks and to optimally leverage material opportunities. To date, no further review has been undertaken of our strategy and our business model in terms of their resilience to R&I-related impacts and risks.

Policy in connection with research & innovation

The strategic focus of R&D at DEUTZ addresses the aforementioned impacts and opportunities. In its product range, and consequently also in its R&D activities, DEUTZ is generally pursuing a policy of progressively reaching the goal of climate-neutral off-highway drives by pursuing a technology-neutral approach, as envisaged in the Company's Dual+ strategy. This means that we are continuing to develop our conventional internal combustion engines to make them more efficient than their predecessors and/or more environmentally friendly to operate thanks to the use of alternative fuels. We also continue to develop our portfolio of electric drive systems further, supplementing it with new electric drive solutions. Our technology-neutral approach reflects the fact that different applications have different requirements in terms of performance and refueling/charging times. Our approach also makes a positive contribution to industry transformation due to knowledge sharing and positive synergy effects through networks and strategic alliances.

This policy is implemented through the R&D activities taking place throughout the Group. The associated activities relate to engines in the Engines & Services segment and to the DEUTZ NewTech business unit, which is part of the Solutions segment. This can also include upstream and downstream sections of the value chain, such as suppliers and customers.

Responsibility for implementing the policy lies with the DEUTZ Board of Management and, under the new organizational structure that was progressively introduced in 2025, predominantly with the Chairman of the Board of Management, to whom the heads of the DEUTZ Engines and DEUTZ NewTech business units – the main operating units with R&D activities – report. As acquisitions of companies and/or alliances also play or can play a role in the implementation of this policy, the Chairman of the Board of Management is also directly involved in the Mergers & Acquisitions and Strategy & Transformation functions.

The Dual+ strategy reflected in the policy is supported by the Strategy & Transformation department and communicated to the Group's entire workforce by Corporate Communications. This takes place both regularly and on an ad hoc basis via a number of channels, including face-to-face and digital management dialogue formats as well as town hall meetings for the entire workforce.

Actions and resources related to research & innovation

Engines business unit: The portfolio of internal combustion engines in the engines business is being continually developed, with a focus on innovative, more fuel-efficient, and more environmentally friendly diesel engines. The entire diesel engine range was approved for the use of eFuels in 2021. Thanks to the use of this renewable synthetic fuel, engines can be operated carbon-neutrally. As a member of the eFuel Alliance, DEUTZ is committed to expanding the sector and supporting the worldwide production and use of eFuels. In 2022, all DEUTZ engines that meet the EU Stage V emissions standard were approved for operation with paraffinic diesel fuels such as HVO. The carbon footprint of a DEUTZ engine can be considerably improved when end users use HVO fuels.

Our newest diesel engines are more environmentally friendly than their predecessor engine series in various respects. For example, the DEUTZ TCD 3.9 engine developed in partnership with John Deere, which went into volume production in 2025, is a low-emission engine platform that is already suitable for HVO fuel and can also be easily expanded to run on re-fuels and hydrogen. DEUTZ again invested considerable amounts in the ongoing development of the DEUTZ TCD 3.9 engine in 2025.²³⁵

DEUTZ's research and development activities in 2025 also focused on the further development of the MDEG and HDEP medium- and heavy-duty engine series under the alliance with Daimler Truck agreed in 2023 and the supplementary transaction with Rolls-Royce Power Systems concluded in 2024. This is further evidence that DEUTZ is not only developing a green product portfolio but also focusing on optimizing and further developing its conventional engines, as envisaged in its Dual+ strategy. Overall, DEUTZ invested considerable amounts in development work relating to the MDEG and HDEP engine series in 2025.

²³⁵ In connection with the aforementioned actions, we deem the investment of financial resources to be significant if they make up around one-tenth or more of groupwide R&D expenditure (after deducting grants) of €85.0 million. With reference to ESRS 17.7, DEUTZ does not provide any further financial information on the individual actions.

The alliance with Indian agricultural machinery company TAFE, agreed in mid-2024, includes the licensed production of DEUTZ engines with a capacity of 2.2 and 2.9 liters by TAFE Motors for use in its tractors. DEUTZ will thus become TAFE's partner for the upcoming Trem Stage V Indian emissions standard and will augment and complement the wide range of engines made by the Group across emissions standards. The partners are also exploring opportunities for expanding the alliance to include alternative drives. In 2025, they forged ahead with preparatory measures for the start of production in India and for bringing the engines to production readiness. Work on the new site commenced in mid-2025.

DEUTZ has held a 50% interest in HJE Emission Technology, which develops and produces exhaust gas aftertreatment systems for internal combustion engines, since January 2025.

📄 See also 'Strategy and objectives', p. 39 onward. This transaction gave DEUTZ further technology and production expertise in the important area of exhaust gas aftertreatment, thereby helping to make internal combustion engines even cleaner and more efficient.

DEUTZ NewTech business unit: In the DEUTZ NewTech business unit, DEUTZ took further steps to expand its emission-free product ecosystem, which currently comprises electric technologies and hydrogen internal combustion engines.

In terms of electrified products, DEUTZ offers its customers a scalable product portfolio comprising electric drive systems, high-voltage batteries, and rapid charging solutions for specific customer requirements in the off-highway segment. Our DEUTZ E360 electric system, a 360-volt system that was brought to production readiness in 2023, is a turnkey solution for the electrification of a wide range of applications. Pilot projects with customers include mini excavators, concrete pumps, and cleaning vehicles. We also largely completed the development of an 800-volt system in 2025. This system enables significantly larger vehicles such as wheeled and tracked excavators and fire engines to be electrified. We also added LFP batteries to our portfolio of batteries. LFP batteries offer a longer life and a higher level of safety.

In addition to the development of new electric vehicles and machines by customers, we are also focusing on retrofitting, where existing diesel vehicles are converted to run on an electric drive; the current focus here is on ground support equipment and port equipment. Retrofitting is also a simple and highly sustainable way for OEMs²³⁶ to experience the feasibility and advantages of electric drive solutions.

Since 2024, DEUTZ has been offering the DEUTZ PowerTree, a complete off-highway rapid charging station for charging electric machinery and construction site vehicles that is refined on an ongoing basis.

DEUTZ is focusing its R&D expenditure in the DEUTZ NewTech business unit on products for which there is already market demand, but it once again invested considerable amounts in research and development relating to electric technologies in 2025.

DEUTZ acquired the Dutch company UMS in mid-2025. 📄 See also 'Strategy and objectives', p. 39 onward. UMS electrifies machines such as excavators, wheel loaders, and cranes, generating revenue of around €5.6 million in 2025. This acquisition is intended to accelerate the development of heavy-duty battery electric drives by bringing the expertise of UMS and DEUTZ together to develop climate-friendly drives for large machines. Considerable amounts were invested in the acquisition of UMS.

The DEUTZ TCG 7.8 H2 engine, which reached market-readiness in 2021, is the first EU Stage V-certified hydrogen internal combustion engine in our range. The production-ready engine was produced for the first time in 2024 on flexible assembly line 6 for the first projects in the Stationary Equipment application segment as well as for rail applications. DEUTZ reduced its R&D spending considerably in 2025 but continued to invest considerable amounts in research and development relating to the hydrogen engine.

The HyCET (Hydrogen Combustion Engine Trucks) research project, which was launched in 2022 and is scheduled to run for four years, aims to demonstrate the sustainability potential of trucks with hydrogen internal combustion engines in transportation logistics. The consortium project with several partners, led by the BMW Group, developed two 18-tonne trucks that use the DEUTZ TCG 7.8 H2 engine. With the trucks having been licensed for use on public roads at the start of 2026, they will be put through their paces by using them in the regular logistics operations of the BMW Group and DEUTZ on public roads.

²³⁶ Original equipment manufacturer; Manufacturer from which another company purchases components for its own production operations and then sells them on under its own brand name or markets them without any branding.

DEUTZ is also a partner in the three-year PoWer project, which was launched at the end of 2024. It is aimed at the development of hydrogen engines for efficient and robust off-road applications and is sponsored by the Federal Ministry for Economic Affairs and Energy. Vehicle and engine manufacturers, component suppliers, and researchers have joined forces to fully explore how hydrogen drives can be used across the full spectrum of applications in non-road mobile machinery (NRMM)²³⁷ for construction and agriculture. They will also develop exhaust gas aftertreatment concepts and demonstrate them on vehicles. By developing materials and the tribological system, and by validating them in a running engine, all of the building blocks will be put in place to meet the stringent requirements in terms of engine robustness, taking into account future NRMM emissions standards. In 2025, we provided our partners with two hydrogen engines. They have already been put into operation to some extent and are delivering the first results. A virtual engine model based on a hydrogen engine was also created. It was integrated into a vehicle model with a partner, producing the first simulation results. With regard to the exhaust gas aftertreatment concepts, a new concept was devised with our support and implemented by a partner.

We also joined the HyInnoICE2 project as an official partner. The project, which commenced at the start of 2025, is funded by the Federal Ministry of Education and Research. The aim of the project is to develop a highly innovative exhaust gas aftertreatment system and regulation concept that reduces potential emissions of nitrogen oxide, ammonia, and nitrous oxide to an extremely low level that is well below the permitted limits.

Furthermore, we have been an associated partner of the HyTrac project since mid-2025. In this project, a tractor – the first demonstration model – is to be equipped with a hydrogen internal combustion engine before being studied in a short trial phase. DEUTZ is supporting the project with an internal combustion engine, which is being developed into a hydrogen internal combustion engine by a partner. Once we have delivered the base engine and it has been commissioned by our partner, the next step will be for the research institute collaborating on the project to make the required modifications to enable the engine to be powered with hydrogen.

We firmly believe that drive systems can only be transformed through an open approach to new technologies and through innovation. Using hydrogen to make the internal combustion engine more climate-friendly unlocks the potential of all available technologies.

Metrics in connection with research & innovation

The material metric relating to research and innovation is research and development expenditure after deducting grants. This expenditure is reported at overall group level and at segment level. [See also](#) 'Research and development', p. 44 onward. Budget planning ensures that, each year, the R&D department has the necessary financial resources to implement the projects that are planned.

In 2025, R&D expenditure after deducting grants amounted to €85.0 million (2024: €93.4 million). The Engines & Services segment accounted for €62.7 million (2024: €63 million) and the DEUTZ NewTech business unit for €22.3 million (2024: €30.4 million). The DEUTZ Group's R&D ratio in 2025 stood at 4.2% (2024: 5.1%). [See also](#) 'Research and development', p. 44.

Targets in connection with research & innovation

DEUTZ has set itself various short- and medium-term targets in relation to the research- and innovation-driven transition of its product portfolio to climate neutrality. The short-term annual target for the implementation of the policy is controlled by the budget targets for research & development, with R&D expenditure after grants forming part of the annual business forecast. The underlying budgeting ensures that the planned R&D projects are provided with the necessary financial resources. Accordingly, we are planning an R&D ratio of 4.5% to 5.0% for the DEUTZ Group in 2026. The underlying R&D expenditure is primarily to be spent on the ongoing development of the portfolio of engines with capacities of less than 4 liters and on the heavy-duty engine platforms, on the market-oriented development of the NewTech portfolio, and on the development of a DEUTZ engine for use in defense applications. There were no structural changes in respect of these targets and the corresponding metrics in 2025. For 2026, the forecast for R&D expenditure has been changed from an absolute value to a ratio relative to revenue in order to bring it in line with the internal management system.

²³⁷ Non-road mobile machinery.

The forecast annual R&D expenditure with a target of implementing the actions planned for the financial year under the R&I policy is based on the Company's internal decision-making process, as a consequence of which scientific findings are incorporated only indirectly. External stakeholders are also not directly involved in setting targets.

As part of the Dual+ strategy, we set ourselves the target of generating revenue of around €300 million in the DEUTZ NewTech segment by 2030 as one of our medium-term ambitions. NewTech revenue in 2025 amounted to €14.0 million. The target quantifies our ambition to establish emission-free technologies in off-highway applications and thereby generate material volumes of revenue. This is a business and financial target that is not derived from scientific principles or stakeholder engagement.

The revenue forecast for the DEUTZ NewTech business unit forms part of the annual forecast report; revenue is reported externally on a quarterly basis. Internally, revenue is calculated on a monthly basis and submitted to senior management as part of the internal control system so that DEUTZ can respond promptly to any anomalies and take corrective action.

Especially when considering the medium-term targets, we emphasize that the targeted revenue volume is dependent on evolving and only partially foreseeable technology trends, the necessary infrastructure and availability of, for example, hydrogen, and regulatory requirements in the most important sales markets. Following substantial investment of financial resources in past years in order to establish the current product portfolio in the DEUTZ NewTech business unit, we will now align our future R&D spending even more closely with trends in market demand.

Other information

CSR content index

#	Standard	Cross-cutting/ Topic	No.	Reporting area	Designation of the DRs	Page number
1	ESRS 2	General disclosures	BP-1	General	General basis for preparation of the sustainability statement	89
2	ESRS 2	General disclosures	BP-2	General	General basis for preparation of the sustainability statement, disclosures in relation to specific circumstances - Time horizons - Value chain estimation - Sources of estimation and outcome uncertainty Disclosures in relation to specific matters - Changes in preparation or presentation of sustainability information Disclosures in relation to special circumstances - Reporting errors in prior periods Disclosures in relation to specific circumstances - Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements - Incorporation by reference - Application of phase-in provisions pursuant to Appendix C of ESRS 1	89–91
3	ESRS 2	General disclosures	GOV-1	Governance (GOV)	The role of the administrative, management and supervisory bodies	96–98
4	ESRS 2	General disclosures	GOV-2	Governance (GOV)	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	98–99
5	ESRS 2	General disclosures	GOV-3	Governance (GOV)	Integration of sustainability-related performance in incentive schemes	100
6	ESRS 2	General disclosures	GOV-4	Governance (GOV)	Statement on due diligence	101
7	ESRS 2	General disclosures	GOV-5	Governance (GOV)	Risk management and internal controls over sustainability reporting	102
8	ESRS 2	General disclosures	SBM-1	Strategy (SBM)	Strategy, business model and value chain	91–94
9	ESRS 2	General disclosures	SBM-2	Strategy (SBM)	Interests and views of stakeholders	94–96
10	ESRS 2	General disclosures	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	106, 109–111, 133, 141–142
11	ESRS 2	General disclosures	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material impacts, risks and opportunities	103–105
12	ESRS 2	General disclosures	IRO-2	Impact, risk and opportunity management (IRO)	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	108
17	ESRS E1	Climate change	GOV-3	Governance (GOV)	Integration of sustainability-related performance in incentive schemes	100–101
18	ESRS E1	Climate change	E1-1	Strategy (SBM)	Transition plan for climate change mitigation	111
19	ESRS E1	Climate change	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	106, 108, 109–111, 132, 141–142
20	ESRS E1	Climate change	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	107-108

21	ESRS E1	Climate change	E1-2	Impact, risk and opportunity management (IRO)	Policies related to climate change mitigation and adaptation	111
22	ESRS E1	Climate change	E1-3	Impact, risk and opportunity management (IRO)	Actions and resources in relation to climate change policies	111–112
23	ESRS E1	Climate change	E1-4	Metrics and targets (MT)	Targets related to climate change mitigation and adaptation	112
24	ESRS E1	Climate change	E1-5	Metrics and targets (MT)	Targets related to climate change mitigation and adaptation	112–113
25	ESRS E1	Climate change	E1-6	Metrics and targets (MT)	Gross Scopes 1, 2, 3 and Total GHG emissions GHG Intensity based on net revenue	113–115
26	ESRS E1	Climate change	E1-7	Metrics and targets (MT)	GHG removals and GHG mitigation projects financed through carbon credits	not material
27	ESRS E1	Climate change	E1-8	Metrics and targets (MT)	Internal carbon pricing	not material
28	ESRS E1	Climate change	E1-9	Metrics and targets (MT)	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-In
29	ESRS E2	Pollution	IRO-1	Impact, risk and opportunity management (IRO)	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	103–105
30	ESRS E2	Pollution	E2-1	Impact, risk and opportunity management (IRO)	Policies related to pollution	115–116
31	ESRS E2	Pollution	E2-2	Impact, risk and opportunity management (IRO)	Actions and resources related to pollution	116
32	ESRS E2	Pollution	E2-3	Metrics and targets (MT)	Targets related to pollution	116
33	ESRS E2	Pollution	E2-4	Metrics and targets (MT)	Pollution of air, water and soil	not material
34	ESRS E2	Pollution	E2-5	Metrics and targets (MT)	Substances of concern and substances of very high	not material
35	ESRS E2	Pollution	E2-6	Metrics and targets (MT)	Anticipated financial effects from material pollution-related impacts, risks and opportunities	Phase-in
57	ESRS S1	The Company's workforce	SBM-2	Strategy (SBM)	Interests and views of stakeholders	94–96
58	ESRS S1	The Company's workforce	SBM-3	Strategy (SBM)	Material impacts, risks and opportunities and their interaction with strategy and business model	133–134
59	ESRS S1	The Company's workforce	S1-1	Impact, risk and opportunity management (IRO)	Policies related to own workforce	134–136
60	ESRS S1	The Company's workforce	S1-2	Impact, risk and opportunity management (IRO)	Processes for engaging with own workforce and workers' representatives about impacts	136
61	ESRS S1	The Company's workforce	S1-3	Impact, risk and opportunity management (IRO)	Processes to remediate negative impacts and channels for own workers to raise concerns	136–137
62	ESRS S1	The Company's workforce	S1-4	Impact, risk and opportunity management (IRO)	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	137–139

63	ESRS S1	The Company's workforce	S1-5	Metrics and targets (MT)	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	139
64	ESRS S1	The Company's workforce	S1-6	Metrics and targets (MT)	Characteristics of the undertaking's employees	139–140
65	ESRS S1	The Company's workforce	S1-7	Metrics and targets (MT)	Characteristics of non-employee workers in the undertaking's own workforce	Phase-in
66	ESRS S1	The Company's workforce	S1-8	Metrics and targets (MT)	Collective bargaining coverage and social dialogue	not material
67	ESRS S1	The Company's workforce	S1-9	Metrics and targets (MT)	Diversity metrics	not material
68	ESRS S1	The Company's workforce	S1-10	Metrics and targets (MT)	Adequate wages	not material
69	ESRS S1	The Company's workforce	S1-11	Metrics and targets (MT)	Social protection	not material
70	ESRS S1	The Company's workforce	S1-12	Metrics and targets (MT)	Persons with disabilities	not material
71	ESRS S1	The Company's workforce	S1-13	Metrics and targets (MT)	Training and skills development metrics	not material
72	ESRS S1	The Company's workforce	S1-14	Metrics and targets (MT)	Health and safety metrics	141
73	ESRS S1	The Company's workforce	S1-15	Metrics and targets (MT)	Work-life balance metrics	not material
74	ESRS S1	The Company's workforce	S1-16	Metrics and targets (MT)	Remuneration metrics (pay gap and total remuneration)	not material
75	ESRS S1	The Company's workforce	S1-17	Metrics and targets (MT)	Incidents, complaints and severe human rights impacts	140

ESRS 2 IRO-2-56: Disclosure of all datapoints taken into consideration in the preparation of the sustainability statement

Disclosure requirement	Data point	Description	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page number
ESRS 2 GOV-1	21 (d)	Board gender diversity	x		x		ESRS 2 General disclosures	97
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		ESRS 2 General disclosures	97
ESRS 2 GOV-4	30	Statement on due diligence	x				ESRS 2 General disclosures	101
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		ESRS 2 General disclosures	92
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		ESRS 2 General disclosures	92
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		ESRS 2 General disclosures	92
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		ESRS 2 General disclosures	92
ESRS E1-1	17	Transition plan to reach climate neutrality by 2050				x	E1 - Climate change	111
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x		E1 - Climate change	not material
ESRS E1-4	34	GHG emission reduction targets	x	x	x		E1 - Climate change	112
ESRS E1-5	37	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				E1 - Climate change	112
ESRS E1-5	37	Energy consumption and mix	x				E1 - Climate change	112
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impacts sectors	x	x			E1 - Climate change	113
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x		E1 - Climate change	113
ESRS E1-6	53–55	GHD emissions intensity	x		x		E1 - Climate change	114
ESRS E1-7	56	GHG removals and carbon credits				x	E1 - Climate change	not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x			Phase-in
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; Location of significant assets at material physical risk	x					not material
ESRS E1-9	67 (c)	Breakdown of the carrying value of the Company's real estate assets by energy-efficiency classes		x				not material
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x			not material
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				E2 - Pollution	not material
ESRS E3-1	9	Water and marine resources	x					not material

ESRS E3-1	13	Special policy	x				not material
ESRS E3-1	14	Sustainable oceans and seas	x				not material
ESRS E3-4	28 (c)	Total water recycled and reused	x				not material
ESRS E3-4	29	Total water consumption in m ₃ per net revenue on own operations	x				not material
ESRS 2 – SBM 3 – E4	16 (a) i	—	x				not material
ESRS 2 – SBM 3 – E4	16 (b)	—	x				not material
ESRS 2 – SBM 3 – E4	16 (c)	—	x				not material
ESRS E4-2	24 (b)	Sustainable land and agriculture practices or policies	x				not material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x				not material
ESRS E4-2	24 (d)	Policies to combat deforestation	x				not material
ESRS E5-5	37 (d)	Non-recycled waste	x				not material
ESRS E5-5	39	Hazardous and radioactive waste	x				not material
ESRS 2 – SBM3 – S1	14 (f)	Risk of forced labor	x			S1 - The Company's workforce	133
ESRS 2 – SBM3 – S1	14 (g)	Child labor	x			S1 - The Company's workforce	133
ESRS S1-1	20	Commitments in the area of human rights policy	x			S1 - The Company's workforce	134 onward
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x	S1 - The Company's workforce	133 onward
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x			S1 - The Company's workforce	133 onward
ESRS S1-1	23	Workplace accident prevention policy or management system	x			S1 - The Company's workforce	133 onward
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x			S1 - The Company's workforce	136
ESRS S1-14	88 (b) & (c)	Number of fatalities and number and rate of work-related accidents	x		x	S1 - The Company's workforce	141
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x			S1 - The Company's workforce	140
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		not material
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				not material
ESRS S1-17	103 (a)	Cases of discrimination	x			S1 - The Company's workforce	140
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x	S1 - The Company's workforce	139
ESRS 2 – SBM3 – S2	11 (b)	Significant risk of child labor or forced labor in the value chain	x				not material
ESRS S2-1	17	Commitments in the area of human rights policy	x				not material
ESRS S2-1	18	Policies related to value chain workers	x				not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines			x		not material

ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	x					not material
ESRS S2-4	36	Human rights issues and incidents connected to the upstream and downstream value chain	x					not material
ESRS S3-1	16	Human rights policy commitments	x					not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x			not material
ESRS S3-4	36	Human rights issues and incidents	x					not material
ESRS S4-1	16	Policies related to consumers and end-users	x					not material
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines	x		x			not material
ESRS S4-4	35	Human rights issues and incidents	x					not material
ESRS G1-1	§ 10 (b)	United Nations Convention against Corruption	x					not material
ESRS G1-1	§ 10 (d)	Protection of whistle-blowers	x					not material
ESRS G1-4	§ 10 (d)	Fines for violation of anti-corruption and anti-bribery laws	x		x			not material
ESRS G1-4	§ 24 (b)	Standards of anti-corruption and anti-bribery	x					not material

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

Assurance report of the independent german public auditor on a limited assurance engagement in relation to the group sustainability statement

To the DEUTZ Aktiengesellschaft, Cologne

Assurance Conclusion

We have conducted a limited assurance engagement on the Group Sustainability Statement, included in section "Group Sustainability Statement" of the combined management report, of DEUTZ Aktiengesellschaft, Cologne for the financial year from 1. January 2025 to 31. December 2025. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Articles 315b and 315c in conjunction with Articles 289b to 289e of the German Commercial Code (HGB) for a combined non-financial statement.

References to the Group's website, contained in the Group Sustainability Statement (see appendix to this Assurance Report) are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Articles 315b and 315c in conjunction with Articles 289b to 289e HGB for a combined non-financial statement, and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "ESRS 2: General Disclosures" of the Group Sustainability Statement, or
- the disclosures in the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on references to the Group's Website in the Group Sustainability Statement (see appendix to this Assurance Report).

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institute of Public Auditors in Germany (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.
- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.
- conducted site visits.
- considered the presentation of the information in the Group Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Engagement terms

This engagement is based on the "Special Terms and Conditions of BDO AG Wirtschaftsprüfungsgesellschaft" dated January 1, 2024, agreed with the Company as well as the „General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated January 1, 2024, issued by the IDW (www.bdo.de/engagement-terms-conditions).

Hamburg, March 17, 2026

BDO AG Wirtschaftsprüfungsgesellschaft

sgd. Winkler
German Public Auditor

sgd. Hyckel
German Public Auditor

APPENDIX TO THE ASSURANCE REPORT: UNASSURED ELEMENTS OF THE GROUP SUSTAINABILITY STATEMENT

References to the Group's website, contained in the Group Sustainability Statement were not subject to our assurance engagement. The information to which these references pertain has not been substantively audited by us.

Forecast for 2026

ECONOMIC OUTLOOK

GDP growth forecast for 2025 and 2026²³⁸

YoY change (%)	2026	2027
Global	3.3	3.2
Industrialized countries	1.8	1.7
Eurozone	1.3	1.4
Germany	1.1	1.5
USA	2.4	2.0
Emerging markets	4.2	4.1
China	4.5	4.0

In its analysis from January 2026, the International Monetary Fund (IMF) predicts global economic growth of 3.3% for 2026 and 3.2% for 2027, similar to the rates seen in the two preceding years.²³⁹ The IMF forecast assumes that the negative impact of ongoing international trade disputes, particularly the US tariff policy, can be offset by a boost to growth triggered by technology sector investment, for example in artificial intelligence (AI) infrastructure, especially in North America and Asia. In addition, the IMF expects further monetary and fiscal support, which should also benefit the private sector through low interest rates and investment programs. The IMF does not believe that increased defense spending will have a tangible effect until subsequent years, as most of the spending increases are only being built up over time. The possibility of a more cautious reassessment of the impact of AI on productivity that could lead to substantially lower investment in AI infrastructure and negative effects on the financial markets, including the assets of private households, is regarded as a risk for the global economy. The future level of trade tensions remains another significant factor. A further rise in uncertainty could have a negative impact, while a significant easing would stimulate growth. For Germany, where minimal growth of 0.2% in 2025 saw the country emerge from two years of recession, the IMF expects higher growth of 1.1% in 2026, which would still be below the average growth forecast of 1.3% (2025: 1.4%) for the eurozone as a whole. [See also](#) 'Economic environment', p. 50.

The IMF believes that global rates of inflation will continue to ease in 2026. It expects the USA to follow the eurozone in heading toward the target of 2%, as the overarching trends of falling energy prices and more subdued demand persist. The average global inflation rate is predicted to be 3.8% (2025: 4.1%). The rate for the industrialized countries is forecast to fall to 2.2% (2025: 2.5%) and for the emerging markets to 4.8% (2025: 5.2%). Following the interest rate reductions already implemented, the IMF generally only expects central bank intervention in countries where inflation is close to the target rate in the event of new demand shocks. The IMF forecasts that global trade will grow by just 2.6% in 2026 (2025: 4.1%). This estimate reflects the previous effects of trade spending

brought forward in the expectation of higher tariffs, as well as the general effects of adjustment to the new trade policy, which tend to reduce levels of trade.

PROCUREMENT MARKET

The outlook for 2026 is dominated by persistent geopolitical uncertainty. Coupled with elevated inflation and the ongoing structural changes in the economy, as well as enduring or new trade conflicts, this means that conditions in the procurement market will likely remain challenging.

Furthermore, additional supply risks could arise due to a persistently high – or potentially rising – number of supplier insolvencies as the result of a deteriorating market environment. The anticipated market recovery could have mixed effects. On the one hand, it could support demand, while, on the other hand, it could negatively impact the requisite lead times for production capacity and thus adversely affect the supply situation.

DEUTZ anticipates largely stable energy prices year on year in 2026, particularly in the case of electricity. Nonetheless, price structures are likely to remain sensitive to geopolitical developments and regulatory interventions. With regard to transportation costs, rates are expected to hold steady or rise slightly. In the event of a broad-based economic recovery, costs can be expected to increase more strongly.

²³⁸ IMF, World Economic Outlook Update, January 2026.

²³⁹ Power Systems Research »OE Link Update Bulletin Q4 2025«, January 2026.

SECTORAL OUTLOOK

Engines market Currently available figures suggest that the key industries for sales of DEUTZ diesel engines for the off-highway segment should experience similar levels of growth in 2026 to those seen in 2025.

DEUTZ customer industries: Forecast for 2026

YoY change in unit sales (%)

	Europe	North America	China
Construction equipment ^{240,241}	+5 to +10	-5 to +5	0 to +5
Material Handling ²⁴²	-5 to 0	0 to +5	-5 to 0
Agricultural machinery ^{243,244}	0 to +5	-5 to 0	0 to +5

Construction equipment is anticipated to see a slight upturn in 2026. In Europe, new orders appear to be continuing to rise, with government infrastructure investments and growing housebuilding activity also possibly boosting unit sales. In North America, the impact of the blanket increases in global tariffs recently announced by the Trump administration is difficult to assess. However, planned infrastructure projects and leasing company growth could lead to higher unit sales for construction equipment manufacturers. Domestic demand in China is weak, with the majority of equipment sold intended for use in Chinese construction companies' overseas projects. In the absence of economic stimulus packages from the government and persistent excess capacity, the anticipated moderate rise in demand will therefore be driven primarily by construction equipment exports.

In the material handling sector, there is a continuing trend in the applications with the strongest sales – such as forklift trucks, lifting platforms, and telehandlers – for customers to switch to electric-driven models. As a result, demand for diesel-powered material handling applications is poised to fall across all regions. This trend will probably be mitigated to an extent by ongoing high levels of investment from equipment leasing companies – most notably in North America – as they continue to expand their fleets.

Agricultural machinery demand is set to experience weak impetus for growth in 2026. New orders in Europe appear to be increasing slightly, with levels of inventories built up by dealers continuing to fall and business expectations of equipment manufacturers on a moderately upward trajectory, according to the CEMA Business Barometer. Trends for agricultural machinery in the North American sales market are difficult to predict. This is due to agricultural machinery costs already being high, as well as to the recent announcement of additional import tariffs for construction equipment, which could further increase the price of importing equipment. In China, demand for agricultural machinery is likely to increase overall in 2026, fueled by fresh state subsidies aimed at modernizing agriculture and by incentives to replace old machinery. However, subsidies mainly apply to electrified machines and those using alternative fuels, with the aim of gradually reducing the share of diesel-powered equipment.

Energy market Demand for diesel-powered generator systems is expected to rise in 2026, stimulated above all by applications requiring localized, reliable energy provision that is available at short notice (e.g. data centers,²⁴⁵ critical infrastructure, and regions with an unstable grid supply²⁴⁶). In the long term, hybrid solution are set to become more relevant. The regional focus is expected to be similar to 2025, with growing demand in Europe, along with India and China. At the same time, longer delivery times, rising procurement costs, and ongoing supply chain risks could have an adverse impact on the availability and supply of large gensets, and result in extended lead times or strategic stockpiling by developers and operators. Overall, the demand for diesel backup solutions and continuous operation solutions is anticipated to be sustained, with variations between individual segments. Strong growth is expected for data centers and critical infrastructure, stability in segments that require a high level of security, and a slight decline in areas where solutions running on gas or batteries are able to replace oil-based generation in the longer term.²⁴⁷

²⁴⁰ Power Systems Research »OE Link Update Bulletin Q4 2025«, January 2026.

²⁴¹ VDMA »Economic Situation – Construction Equipment«, February 2026.

²⁴² Power Systems Research »OE Link Update Bulletin Q4 2025«, January 2026.

²⁴³ Power Systems Research »OE Link Update Bulletin Q4 2025«, January 2026.

²⁴⁴ VDMA »Agricultural Machinery Market«, February 2026.

²⁴⁵ JLL, Global Data Center Outlook, 2025.

²⁴⁶ IEA, World Energy Outlook, 2025.

²⁴⁷ PowerGen Statistics, Diesel Generator Market, 2025.

NewTech market The adoption of battery-powered drives for off-highway applications is set to continue slowly but noticeably in 2026, with marked variations in different regions. China remains the driving force, with the highest number of units, while Europe will probably grow moderately, with most other regions likely to be significantly more restrained. Electric drive solutions are set to become more relevant, particularly where there is a permanent grid supply or controlled charging conditions (e.g. mining, quarries, ports, industry), as well as in compact machinery segments. Challenges for mass market penetration include greater purchase costs outside China, a lack of charging infrastructure, uncertainties about the phasing out of fossil fuels in some countries, and general lead-time and supply chain risks. Consequently, the pace of electrification in 2026 is likely to vary across different projects and regions, and to be influenced by political support measures. Overall, the expectation is for moderate, focused growth, accompanied by forecast uncertainty and further technological and price pressures that will determine future adoption.²⁴⁸

Defense market As in 2025, the European defense industry seems likely to experience increased pressure for investment and modernization in 2026, bolstered by political decisions and higher budget scenarios. At the same time, transition and supply chain obstacles should be steadily removed and fragmented procurement processes resolved. High growth is expected to continue, especially in the innovative technology market, such as unmanned defense systems.²⁴⁹ Germany's Bundeswehr is likely to increase the level of orders placed in Europe, particularly in Germany. North America is generally experiencing a phase of further normalization after heightened preliminary activity, but it remains a market that invests broadly and where demand profiles differ across segments.²⁵⁰

BUSINESS OUTLOOK

The business outlook presented here was made on the basis of the information available at the end of February 2026. The forecast revenue growth and improvement in earnings are based on the positive outlook in the Energy, Service, and Defense business units, which is already putting the Group on a much more resilient footing in an environment of ongoing geopolitical and economic uncertainties, and that will also benefit from the most recent acquisitions. In addition, the Board of Management expects that the engine market – particularly in the case of engines for construction equipment and agricultural machinery – will stage a strong recovery in the second half of 2026. The ranges at Group level given here primarily reflect the scale of the anticipated market recovery and the influence of any economies of scale that arise as a result. Support should be provided in 2026 by the final savings to be achieved under the Future Fit cost-cutting program, further efficiency measures, and possible acquisitions in the context of the strategy implementation. It should be noted that the outlook for 2026 is subject to an increased level of uncertainty due to geopolitical events, for example trade disputes, or the outbreak of wars, such as the war in Ukraine, which could have a negative impact on business performance.

REVENUE

DEUTZ anticipates consolidated revenue of between €2.3 billion and €2.5 billion in 2026. The segments are expected to contribute as follows:

Revenue	Guidance 2026
Engines	€1,280 million to €1,380 million
Service	€620 million to €650 million
Energy	€280 million to €300 million
NewTech	€20 million to €50 million
Defense & Other	€100 million to €120 million

EARNINGS

On the back of the consolidated revenue growth described above, DEUTZ expects the EBIT margin before exceptional items (adjusted EBIT margin) at Group level to be in a range of 6.5% to 8.0%. This span primarily reflects the revenue range stated and the various associated economies of scale, most notably in the Engines segment.

²⁴⁸ Off-Highway Research, Global Electric Construction Equipment Industry, 2025.

²⁴⁹ Rothschild & Co Redburn, Drone Primer, 2026.

²⁵⁰ EY Partenon & Deka, Der Weg zur europäischen Souveränität: Verteidigung, 2025.

DEUTZ anticipates the following adjusted EBIT margins in its segments:

Adjusted EBIT margin	Guidance 2026
Engines	2.5 % to 4.0 %
Service	16.5 % to 18.5 %
Energy	10.0 % to 12.0 %
NewTech	€-20 million to €-30 million ²⁵¹
Defense & Other	10.0 % to 12.0 %

The figures for the DEUTZ NewTech segment must be viewed in the context of relatively small revenues being generated while relatively large amounts continue to be spent on research and development in order to expand the portfolio of alternative drive systems, with R&D expenditure being even more strongly adapted to market demand. [📄 See also 'Strategy and objectives', p. 39 onward and 'Research and development', p. 44 onward.](#)

R&D RATIO²⁵²

After deducting grants²⁵³ DEUTZ expects an R&D ratio of 4.0% to 4.5% in 2026. The underlying R&D expenditure is primarily to be spent on the ongoing development of the portfolio of engines with capacities of less than 4 liters and on the heavy-duty engine platforms, on the market-oriented development of the NewTech portfolio, and on the development of a DEUTZ engine for use in defense applications. [📄 See also 'Research & development', p. 44 onward.](#)

CAPITAL EXPENDITURE²⁵⁴

After deducting grants, capital expenditure is likely to be in a range of €65 million to €85 million in 2026. en.

WORKING CAPITAL RATIO, FREE CASH FLOW BEFORE M&A, AND EQUITY RATIO

The average working capital ratio for 2026 is predicted to be between 17% and 19%. Free cash flow excluding M&A expenditure is predicted to be in the high-double-digit millions of euros. The equity ratio is expected to remain well over 40%.

EMPLOYEES

Staffing levels As a rule, short-term peaks in demand for labor as a result of unexpected increases in production volumes should continue to be managed through flexible employment in the form of fixed-term and temporary employment contracts.

Anticipated economic volatility in 2026 is once again to be cushioned through the use of instruments to increase flexibility, which the IG Metall labor union, the works council, and DEUTZ agreed at the start of 2025.

Wage settlement In December 2024, IG Metall reached a new wage settlement for the metalworking and electrical engineering industry, to which DEUTZ AG belongs. The settlement includes an increase of 3.1% from April 2026 in the monthly basic pay of employees covered by collective pay agreements. Apprentices' monthly pay will also rise by 3.1% with effect from April 1, 2026.

Outlook for the period to 2028

As part of its growth strategy, DEUTZ is implementing strategic measures to achieve its target of doubling consolidated revenue to €4 billion by 2030 and increasing adjusted EBIT margin before exceptional items to 10%. This includes an interim target of expanding the Group's revenue to between €3.2 billion and €3.4 billion by 2028 and, at the same time, achieving an adjusted EBIT margin of between 8% and 9%, with contributions anticipated from all business units.

In addition to the internal combustion engine business for off-highway applications, the servicing of engines, and the development of alternative, climate-friendly drives, DEUTZ is also relying both on organic growth and growth by acquisition to achieve its goals, while focusing on opening up new areas of business where the Company, with its expertise and experience, already has a lead or can establish one – in other words, where it has right-to-win potential. These areas include the market for decentralized energy supply, and security and defense. [📄 See also 'Strategy and objectives', p. 39 onward, for further information on the strategy and financial targets.](#)

²⁵¹ EBIT forecast given in absolute values due to the wide range compared to expected revenue.

²⁵² Research and development expenditure constitutes actual spending on R&D projects. It differs from the research and development costs recognized in the income statement in that development expenditure that can be capitalized is deducted and amortization on completed development projects is added.

²⁵³ Grants from development partners and subsidies.

²⁵⁴ Capital expenditure on property, plant and equipment (excluding right-of-use assets in connection with leases) and intangible assets, excluding capitalized development expenditure in relation to the product portfolio; without M&A.

REMUNERATION REPORT

OF DEUTZ AG PURSUANT TO SECTION 162 AKTG

INDEX FOR THE REMUNERATION REPORT

166	I. Review of 2025 from a remuneration perspective
166	II. Remuneration for Board of Management members
166	A. General principles of the remuneration system
167	B. Remuneration system in 2025
168	1 Non-performance-related remuneration
168	2 Performance-related remuneration
169	2.1 Short-term variable remuneration (bonus/STI)
170	2.2 Long-term variable remuneration (LTI)
177	2.3 Overview of the variable remuneration granted and owed in 2025
178	2.4 Miscellaneous
180	C. Amount of Board of Management remuneration in 2025
180	1 Remuneration for Board of Management members who were current members in the reporting year
183	2 Remuneration of former members of the Board of Management
184	3 Disclosures on the relative change in the remuneration of the Board of Management, the remuneration of the rest of the workforce, and the Company's earnings performance
185	III. Remuneration for Supervisory Board members
185	A. Remuneration system in 2025
185	B. Remuneration granted and owed in 2025
187	C. Disclosures on the relative change in the remuneration of the Supervisory Board, the remuneration of the rest of the workforce, and the Company's earnings performance
188	Auditors's report

The remuneration report provides details of the remuneration granted and owed to former and current members of the Board of Management and Supervisory Board of DEUTZ AG in 2025. It meets the requirements of section 162 of the German Stock Corporation Act (AktG).


I. Review of 2025 from a remuneration perspective

Changes occurred to the composition of the Board of Management in the 2025 financial year: Dr.-Ing. Markus Müller stepped down from the Board of Management prematurely, with effect from January 31, 2025.

In addition, changes occurred to the composition of the Supervisory Board. Dr. Fabian Dietrich stepped down from the Supervisory Board with effect as of November 30, 2025. He was succeeded by Ms. Silvia Eidt, who was appointed to the Supervisory Board with effect from December 9, 2025 following a proposal from the group of senior executives to the Board of Management and a corresponding application by the Board of Management for a court appointment.

In accordance with the provisions of the AktG, the remuneration report for 2024 prepared jointly by the Board of Management and the Supervisory Board was submitted for approval to the Annual General Meeting of DEUTZ AG on May 8, 2025, at which it was approved with 92.02 percent of the votes. As a consequence, the resolution did not lead to any need to adjust the 2024 Remuneration Report or review the current remuneration system.

A new remuneration system for the Board of Management was approved by the 2024 Annual General Meeting. The main new components that became effective for the 2024 financial year were the abolition of special remuneration, the addition of a sustainability component to the Long-Term Incentive (LTI), the addition of Share Ownership Guidelines (SOG) for Board of Management members, and an adjustment to maximum remuneration. In addition, the remuneration system valid since 2024 means that the strategy targets and sustainability targets in the Short-Term Incentive (STI) will be combined into sustainability and strategy implementation targets from 2025 onwards.

This remuneration report was jointly prepared by the Board of Management and the Supervisory Board and was audited in relation to its form and content by the auditor.  See the Auditor's report on p. 188.

II. Remuneration for Board of Management members

A. General principles of the remuneration system

The currently valid remuneration system for the members of the Board of Management has been applied since 2024. The system takes into consideration the statutory requirements and the main recommendations of the German Corporate Governance Code (DCGK) in the version dated April 28, 2022. The remuneration system comprises non-performance-related and performance-related remuneration components and supports the long-term, sustainable development of DEUTZ AG.

The aim of the remuneration system is to support the achievement of DEUTZ's strategic sustainability-related objectives and ensure that the members of the Board of Management are paid appropriately. In line with the corporate strategy, the remuneration system incentivizes the Board of Management members to achieve profitable growth and sustainable value creation. Long-term variable remuneration is higher than short-term variable remuneration in order to underscore the particular importance of the long-term development of DEUTZ AG. To this end, it includes a share-based element.

The Supervisory Board of DEUTZ AG is responsible for the remuneration system and for setting the remuneration of the individual members of the Board of Management. It is supported by the Human Resources Committee, which prepares recommendations on the Board of Management remuneration system and carries out the preparatory work for the decisions of the Supervisory Board and for the review of the appropriateness of the level of remuneration.

B. Remuneration system in 2025

In 2025, the remuneration of the members of DEUTZ's Board of Management consisted of non-performance-related and performance-related remuneration components. The individual components of the remuneration system in 2025 are summarized in the following table:

Remuneration components	Support for long-term development	Structure in 2025
Non-performance-related remuneration		
Basic remuneration	Forms the basis for attracting and retaining highly qualified Board of Management members who develop and implement the strategy	■ Fixed remuneration paid in monthly installments
Additional benefits		■ Company car and insurance policies
Retirement pension		■ Annual contribution to a benevolent fund
Performance-related remuneration		
Short-term variable remuneration (bonus/STI)	Rewards the degree to which the corporate strategy has been operationalized, including how forward-looking sustainability targets have been implemented during a year	<ul style="list-style-type: none"> ■ Plan type: target bonus ■ Performance criteria: <ul style="list-style-type: none"> – 30 percent revenue – 30 percent EBIT – 40 percent sustainability and strategy implementation targets ■ Payment cap: 150 percent of target amount ■ Term: one year
Long-term variable remuneration (LTI)	Incentivization of sustainable growth and long-term value enhancement of DEUTZ AG and alignment of interests between investors and members of the Board of Management	<ul style="list-style-type: none"> ■ Plan type: virtual performance share plan ■ Performance criteria: <ul style="list-style-type: none"> – 20 percent relative total shareholder return (TSR) compared to DAXsubsector All Industrial Machinery – 50 percent return on capital employed (ROCE) – 30 percent sustainability target ■ Payment cap: 180 percent of target amount ■ Term: 4 years
Miscellaneous		
Malus/clawback	Safeguards responsible corporate governance for the benefit of DEUTZ AG	■ Option to reduce or claw back some or all of the variable remuneration in the event of a serious compliance violation
Share Ownership Guidelines	Intensification of the share price reference of Board of Management remuneration in order to even more closely align Board of Management interests with shareholder interests.	<ul style="list-style-type: none"> ■ Obligation to hold DEUTZ AG shares until the end of the Management Board mandate ■ Equivalent value of the shares to be held in relation to the annual net basic remuneration: <ul style="list-style-type: none"> – Chairman of the Board of Management: 150 percent – Ordinary members of the Board of Management: 100 percent ■ Accumulation period: 5 years
Maximum amount of remuneration	Limiting remuneration to a level that motivates the members of the Board of Management, but is not inappropriate	<ul style="list-style-type: none"> ■ Limit on the total remuneration granted for a year in accordance with section 87a (1) sentence 2 no. 1 AktG: <ul style="list-style-type: none"> – Chairman of the Board of Management: € 3,200,000 – Ordinary members of the Board of Management: € 2,200,000
Cap on severance pay	Avoids excessive severance payments that are not in the interests of DEUTZ AG	■ Severance payments are limited to twice the amount of annual remuneration and may not exceed the remuneration due for the remaining term of the contract

B.1 Non-performance-related remuneration

Non-performance-related remuneration is granted to the Board of Management members irrespective of their specific performance in relation to their targets and irrespective of the Company's performance. This remuneration comprises basic remuneration, additional benefits, and a retirement pension. The components of non-performance-related remuneration form the basis for attracting and retaining highly qualified Board of Management members who develop and implement the corporate strategy.

Basic remuneration The basic remuneration is a fixed amount that is granted irrespective of the actual performance of DEUTZ AG.

Additional benefits Each Board of Management member receives additional benefits in the form of non-monetary remuneration and other benefits. In 2025, the additional benefits for the members of the Board of Management comprised the provision of a company car that can also be used privately, the option of a driver for the car, and payment of insurance premiums for accident and D&O insurance policies.

Retirement pension The retirement pension for Board of Management members is structured as a defined contribution plan. As pension provision for the Board of Management members, DEUTZ AG paid an amount into a reinsured benevolent fund in 2025 (pension expense). When they retire, the Board of Management members are entitled to the capital promised to them; this payment is made by the benevolent fund.

Aspect	Details
Pension plan type	Defined contribution pension plan
Start of retirement	Standard retirement age is 65; earliest possible retirement age is 62 (provided that the statutory pension is also drawn).
Return	The return depends on the policyholder dividend arrangements of the insurer. There is no guaranteed return, i.e., there is no return over and above what is agreed in the policyholder dividend arrangements.
Payment options	An amount of capital is promised. DEUTZ AG can agree a lifelong annuity instead of a lump-sum. This annuity is paid by the benevolent fund once a pension trigger event has occurred.
Invalidity/death	Death before the start of retirement: The policy value is paid out. Benefits may also be paid in the form of a share of the valuation reserves. Death after the start of retirement (applies only if a lifelong annuity has been arranged): Payment in the amount of ten times the annual pension guaranteed from the start of the pension. Guaranteed annuities that have already been paid are deducted from this amount.

Pension expense for Board of Management members The pension expenses in 2025 are shown in the following table:

	Pension expense in FY 2025 (€ thousand)
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	150
Dr.-Ing. Petra Mayer	50
Dr.-Ing. Markus Müller (until January 31, 2025)	4
Oliver Neu	50

B.2 Performance-related remuneration

The following chapters describe the structure of the remuneration granted or owed. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full (i.e. the performance period has ended and the performance criteria have been met). Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

The structure of the LTI promised in 2025 (2025–2028) is also described. Remuneration promised is the remuneration that is promised to the Board of Management members for 2025, irrespective of the timing of payment (target remuneration).

2.1 Short-term variable remuneration (bonus/STI)

The bonus contributes to the Company's long-term development by specifying how the corporate strategy is to be implemented operationally during a year and rewarding its implementation. The performance assessment is based on financial, sustainable, and strategic performance criteria. The financial targets revenue and EBIT underpin the growth strategy of DEUTZ AG and its regional growth initiatives because together they incentivize the Board of Management members to contribute to profitable growth. The sustainability and strategy implementation target consists of individual sub-targets that address the most important initiatives.

Short-term variable remuneration (bonus/STI)



The target amount is the starting point for the short-term incentive (STI). The target amount is multiplied by the total target achievement rate to obtain the amount payable. Total target achievement for the STI is the weighted sum of the rates of target achievement for the four performance criteria revenue, EBIT, and sustainability and strategy implementation targets. For the 2025 financial year, the Supervisory Board has set sustainability and strategy implementation targets in the categories "Internationality", "Alternative Drives", "Value Add", "Production Network", "Partnership", and "Corporate Governance".

The target values for the performance criteria are set by the Supervisory Board, and target achievement in respect of these values is determined by the Supervisory Board after the end of the performance period. If performance is below a threshold, target achievement for the relevant share of the STI is 0 percent. This may result in no STI being paid at all. Target achievement is limited to a maximum of 150 percent. Linear interpolation is applied between the aforementioned rates of target achievement.

Revenue Revenue is defined as the consolidated revenue calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. Revenue has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2025, and the resulting rate of target achievement for the revenue performance criterion are shown in the following table:

STI 2025

	Revenue	Target achievement
Minimum threshold	€ 1,800 million	50 %
Target value	€ 2,100 million	100 %
Cap	€ 2,400 million	150 %
Actual value	€ 2,043.8 million	90.6 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 150 percent.

EBIT EBIT is defined as the consolidated earnings before interest and tax (EBIT) less income generated or expenses incurred that lie outside the scope of the Company's ordinary business activities and are unlikely to recur (EBIT before exceptional items). It is calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. EBIT has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2025, and the resulting rate of target achievement for the EBIT performance criterion are shown in the following table:

STI 2025

	EBIT	Target achievement
Minimum threshold	€ 70 million	50 %
Target value	€ 110 million	100 %
Cap	€ 150 million	150 %
Actual value	€ 112.3 million	102.9 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 150 percent.

Sustainability and strategy implementation target The sustainability and strategy implementation target for the 2025 financial year is taken into consideration with a weighting of 40 percent.

Ten individual targets were set for the sustainability and strategy implementation target. These individual targets are shown in the following table.

Sustainability and strategy implementation targets for 2025 derived from the strategy

Target cluster	Examples of sub-targets
Internationality	Development, presentation, and implementation of special country strategies in the USA and Australia
Alternative Drives	Go-live of the NewTech Organization
Value Add	Development of a roadmap for the defense sector and expansion of business volumes
Production Network	Right-sizing of the China organization; successful implementation and release of the series integration of a new series
Partnership	Acquisition and partial relocations of a strategic partner to increase vertical integration and resilience, as well as the operationalization of a partnership in the Classic segment
Corporate Governance	Further development, publication, and partial implementation of the revised global internal control system (ICS)

Target achievement for the sustainability and strategy information targets is measured by the number of individual targets that were reached in 2025. The correlation between the number of targets reached and target achievement is shown in the following table along with the actual rate of target achievement in 2025:

STI 2025

	Number of individual targets reached of the sustainability and strategy implementation targets	Target achievement
Minimum threshold	3	50%
Target value	5	100%
Cap	7	150%
Actual value: sustainability and strategy implementation targets	10	150%

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. However, in accordance with the remuneration system, the Supervisory Board has the option of taking appropriate account of exceptional developments in justified special cases. As was also the case in 2024, the Supervisory Board did not exercise this option in 2025.

Determination of the STI The determined target achievement rates are multiplied by the relevant weightings for the performance criteria and then added up to give the total target achievement. This is multiplied by the target amount to obtain the amount payable, which is limited to 150 percent of the target amount.

The following table summarizes the target amount, total target achievement, and the resulting amount payable under the STI 2025 for each member of the Board of Management:

STI 2025

	Dr. Sebastian C. Schulte	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller ²⁵⁵	Oliver Neu
Target amount (€ thousand)	508	308	30	300
Total target achievement (in %)	118.1	118.1	118.1	118.1
Amount payable (€ thousand)	600	364	35	354

2.2 Long-term variable remuneration (LTI)

Long-term variable remuneration contributes to the Company's long-term development by rewarding implementation of the corporate strategy, its focus on sustainability, and the long-term increase in the value of DEUTZ AG on the basis of the remuneration system initially applicable to the Board of Management from 2021 and the remuneration system subsequently applicable from 2024. Success is assessed using financial, sustainability-based, and share-based performance criteria derived from the strategy of DEUTZ AG.

2.2.1 LTI (LTI 2022–2025)

In the 2025 financial year, Board of Management members Dr. Sebastian C. Schulte, Dr.-Ing. Petra Mayer and Dr. Markus Müller as well as former Board of Management members Timo Krutoff, Dr.-Ing. Frank Hiller, and Michael Wellenzohn were granted remuneration deriving from the LTI granted in the 2022 financial year. This LTI was promised in the form of virtual performance shares. The target amount is the starting point for the allocation.

At the start of the four-year term, the target amount was divided by the average DEUTZ AG share price (arithmetic mean of the Xetra closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of virtual shares that are promised conditionally (virtual performance shares – VPSs²⁵⁶). The start of the term was January 1, 2022. The average DEUTZ AG share price to be applied amounted to € 6.80. The number of VPSs promised to the Board of Management members for 2022 is shown in the following table.

²⁵⁵ Dr.-Ing. Markus Müller stepped down from the Board of Management as of January 31, 2025. His compensation was reduced on a pro rata basis for the reporting period.

²⁵⁶ Virtual performance shares are granted as a conditional number of virtual shares. The final number of shares is determined after the end of the performance period, depending on the achievement of previously defined performance targets. The payout is not made in the form of shares but is calculated and paid in cash.

Number of virtual shares promised conditionally 2022 to each Board of Management member

Board of Management member	Number of virtual shares promised conditionally in 2022
Dr. Sebastian C. Schulte	82,618
Dr.-Ing. Petra Mayer (since November 1, 2022)	9,075
Dr.-Ing. Markus Müller (until January 31, 2025)	54,448
Timo Krutoff (until November 30, 2024)	4,537
Dr.-Ing. Frank Hiller (until February 13, 2022)	25,605
Michael Wellenzohn (until September 6, 2022)	53,712

Long-term incentive (2022–2025)



The final number of VPSs depends on the aggregated rates of target achievement for the performance criteria return on capital employed (ROCE) and relative total shareholder return (relative TSR).

Target achievement for relative TSR is determined after the end of the performance period on the basis of the percentile ranking²⁵⁷ of DEUTZ AG within a TSR peer group. The target value for the ROCE performance criterion is set by the Supervisory Board. Target achievement for ROCE is determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board.

The LTI payment is limited to 180 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

Relative total shareholder return Relative TSR compares DEUTZ's TSR performance against that of a specific peer group and has a weighting of 50 percent. TSR performance is calculated by comparing the share price (plus the dividend paid) at the end of the performance period with the value at the start of the performance period. The TSR peer group comprises companies in the DAXsubsector All Industrial Machinery.

Some of the companies in this peer group are therefore different from those in the peer group used to check whether the Board of Management's remuneration is typical in comparison with that in similar companies. The composition of the peer group for assessing how remuneration compares with that of other companies is based on stock-corporation law criteria, such as sector, size, and country. The composition of the TSR peer group has been given a greater sectoral focus, which means that companies that are larger or smaller than DEUTZ are also included. Some companies in the TSR peer group would therefore not meet the stock-corporation law criteria regarding size that are applied in the comparison of Board of Management remuneration with that in similar companies. The Supervisory Board believes that a peer group with a greater sectoral focus is better suited than the peer group used for the horizontal comparison to evaluate DEUTZ's performance relative to relevant competitors and the overall sector.

As at the end of the performance period in December 2025, the TSR peer group comprised the following companies:

Aumann AG, Datron AG, DMG Mori AG, Dürr AG, GEA Group AG, Heidelberger Druckmaschinen AG, Jungheinrich AG, KHD Humboldt Wedag Int. AG, KHD Humboldt Wedag Vermögensverwaltungs-AG, Kion Group AG, Knorr Bremse AG, Koenig & Bauer AG, Kronos AG, KSB SE+Co KGaA, Maschinenfabrik Berthold Hermle AG, Masterflex SE, Norma Group SE, Pittler Maschinenfabrik AG, RENK Group AG,

Stabilus SE, Steyr Motors AG, Wacker Neuson SE, WashTec AG.

TSR performance is determined for each company in the peer group and for DEUTZ after the end of the performance period. The individual values are then ranked and given a percentile ranking in which the 0th percentile ranking represents the lowest TSR performance and the 100th percentile ranking represents the highest TSR performance.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in the 2022–2025 performance period, and the resulting rate of target achievement for the relative TSR performance criterion are shown in the following table:

LTI grant in 2025

	DEUTZ's percentile ranking for TSR	Target achievement
Minimum threshold	25th percentile	0%
Target value	50th percentile	100%
Cap	75th percentile	180%
Actual value in 2025	82nd percentile	180%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 0 and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 180 percent.

Return on Capital Employed ROCE is the ratio of EBIT before exceptional items (consolidated earnings before interest and tax less income generated or expenses incurred that lie outside the scope of the Company's ordinary business activities and are unlikely to recur, based on the consolidated financial statements) to capital employed, which is weighted at 50 percent. The relevant figure for the assessment of target achievement for the 2022–2025 tranche is the average ROCE value achieved during the performance period.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value of the average ROCE achieved in the 2022–2025 performance period, and the resulting rate of target achievement are shown in the following table:

²⁵⁷ Percentile ranking in an ordered data set, indicating the percentage of all data points that are less than or equal to the given value.

LTI grant in 2025

	ROCE	Target achievement
Minimum threshold	7.6%	50%
Target value	10.0%	100%
Cap	≥ 15.0%	180%
Average ROCE 2022–2025	8.74%	73.75%

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 180 percent.

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the 2021 remuneration system, the Supervisory Board nonetheless has the option, in exceptional cases and where it is justifiable to do so, of taking extraordinary developments appropriately into account in the LTI if such developments were not explicitly factored into the strategic planning and defined individual targets. The Supervisory Board did not utilize this option in 2025.

Determination of the LTI After the end of the performance period, the final number of VPSs is determined by multiplying the number of VPSs that are promised conditionally by the weighted total target achievement. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 180 percent of the target amount.

The following table summarizes various items of information, including the target amount, total target achievement, and the resulting amount payable for the LTI 2022–2025 for each member of the Board of Management to whom the LTI 2022–2025 was granted:

LTI 2022–2025

	Dr. Sebastian C. Schulte	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller	Dr.-Ing. Frank Hiller	Timo Krutoff	Michael Wellenzohn
Target amount	€561 thousand	€62 thousand	€370 thousand	€174 thousand	€31 thousand	€365 thousand
Allocation price	€6.80	€6.80	€6.80	€6.80	€6.80	€6.80
Number of VPSs	82,618	9,075	54,448	25,605	4,537	53,712
Total target achievement	126.88%	126.88%	126.88%	126.88%	126.88%	126.88%
Final number of VPSs	€104,826	€11,514	€69,084	€32,488	€5,757	€68,150
Closing price	€8.38	€8.38	€8.38	€8.38	€8.38	€8.38
Amount payable	€878 thousand	€96 thousand	€579 thousand	€272 thousand	€48 thousand	€571 thousand

2.2.2 LTI (ALLOCATION IN 2025)

The LTI promised in 2025 is promised in the form of annual tranches of VPSs. The target amount is the starting point for the promised LTI and totals between 64 percent and 69 percent of the Board of Management members' basic remuneration.

At the start of the four-year term, the target amount is divided by the average DEUTZ AG share price (arithmetic mean of the Xetra closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of VPSs that are promised conditionally.

For the allocation in 2025, the average share price of DEUTZ AG for the last 60 trading days in 2024 amounted to € 4.09. The number of VPSs promised to the Board of Management members for 2025 is shown in the following table:

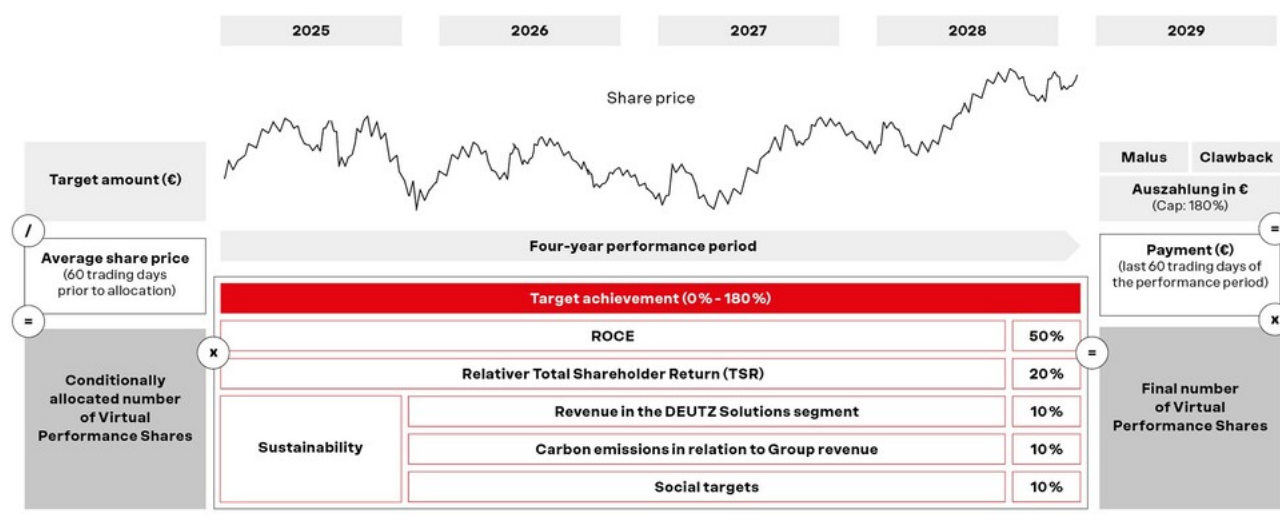
VPS allocation in 2025

Board of Management member	Promised LTI amount (target amount)	Number of virtual shares allocated conditionally in 2025
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	€622 thousand	152,078
Dr.-Ing. Petra Mayer	€370 thousand	90,465
Dr.-Ing. Markus Müller	€37 thousand	8,985
Oliver Neu (since October 1, 2024)	€370 thousand	90,465

The final number of VPSs depends on the aggregated rates of target achievement for the performance criteria return on capital employed (ROCE), relative total shareholder return (relative TSR) and sustainability targets.

Target achievement for relative TSR is determined after the end of the performance period on the basis of the percentile ranking of DEUTZ AG within a TSR peer group. The target values for the ROCE performance criterion and the sustainability performance criteria are set by the Supervisory Board. Target achievement for ROCE and the sustainability targets are determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board.

Long term Incentive (2025 – 2028)



The LTI payment is limited to 180 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

Return on Capital Employed ROCE is the ratio of EBIT before exceptional items (consolidated earnings before interest and tax less income generated or expenses incurred that lie outside the scope of the Company's ordinary business activities and are unlikely to recur, based on the consolidated financial statements) to capital employed, which is weighted at 50 percent. The relevant figure for the assessment of target achievement for the 2025 tranche is the average ROCE value achieved during the performance period.

The minimum threshold, the target value corresponding to 100 percent target achievement, and the cap including the resulting target achievement for the average ROCE during the performance period are as follows:

LTI allocation in 2025

	Average ROCE	Target achievement
Minimum threshold	7.0%	50 %
Target value	10.0%	100 %
Cap	13.0%	180 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 180 percent.

Relative total shareholder return The relative TSR is weighted at 20 percent and compares the TSR performance of DEUTZ with the TSR performance of an individual peer group. TSR performance is calculated by comparing the share price (plus the dividend paid) at the end of the performance period with the value at the start of the performance period. The TSR peer group comprises companies in the DAXsubsector All Industrial Machinery.

Some of the companies in this peer group are therefore different from those in the peer group used to check whether the Board of Management's remuneration is typical in comparison with that in similar companies. The composition of the peer group for assessing how remuneration compares with that of other companies is based on stock-corporation law criteria, such as sector, size, and country. The composition of the TSR peer group has been given a greater sectoral focus, which means that companies that are larger or smaller than DEUTZ are also included. Some companies in the TSR peer group would therefore not meet the stock-corporation law criteria regarding size that are applied in the comparison of Board of Management remuneration with that in similar companies. The Supervisory Board believes that a peer group with a greater sectoral focus is better suited to evaluating DEUTZ's performance relative to relevant competitors and the

overall sector than the peer group used to compare Board of Management remuneration with that in similar companies.

As at December 2024, the TSR peer group comprised the following companies:

Aumann AG, Datron AG, DMG MORI AG, Dürr AG, Francotyp-Postalia Holding AG, GEA Group AG, Heidelberger Druckmaschinen AG, Jungheinrich AG, KHD Humboldt Wedag International AG, KHD Humboldt Wedag Vermögensverwaltungs AG, KION GROUP AG, Knorr-Bremse AG, Koenig & Bauer AG, Krones AG, KSB SE & Co. KGaA, Maschinenfabrik Berthold Hermle AG, Masterflex SE, NORMA Group SE, PITTLER Maschinenfabrik AG, RENK Group AG, STEYR MOTORS AG, Stabilus SE, Wacker Neuson SE, WashTec AG.

TSR performance is determined for each company in the peer group and for DEUTZ after the end of the performance period. The individual values are then ranked and given a percentile ranking in which the 0th percentile ranking represents the lowest TSR performance and the 100th percentile ranking represents the highest TSR performance.

Target achievement for relative TSR is determined after the end of the performance period on the basis of the percentile ranking of DEUTZ AG as follows:

LTI allocation in 2025

	DEUTZ's percentile ranking for TSR	Target achievement
Minimum threshold	25th percentile	0 %
Target value	50th percentile	100 %
Cap	≥75th percentile	180 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 0 and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 and 180 percent.

Sustainability The sustainability targets, weighted at 30 percent, consist of three individual targets, each weighted at 10 percent. For the LTI 2025–2028, the performance criteria comprise the targets for revenue in the DEUTZ Solutions segment (no longer revenue in the Green segment, as for the 2025 financial year DEUTZ has adjusted its previous segmentation). The DEUTZ Solutions segment comprises DEUTZ NewTech (formerly DEUTZ Green) and DEUTZ Energy as well as CO₂ emissions at the production sites (in tonnes of CO₂ equivalents) in relation to Group revenue (environmental dimension) and social objectives (social dimension). The social targets consist of three equally weighted sub-targets: training rate, staff turnover rate, and employee empowerment.

At the beginning of each financial year, the Supervisory Board decides on demanding threshold, target, and cap values for the sustainability performance criteria, and any sub-targets for a new tranche, which are valid for the entire four-year term of the tranche. The threshold, target, and cap values for the sustainability performance criteria will be published in the remuneration report after the expiry of the LTI 2025–2028, unless this is inexpedient for the market position of DEUTZ AG. Target achievement for the sustainability performance criteria is determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board. This is conducted for each sustainability performance criterion and any sub-targets by comparing the performance actually achieved with the defined targets. Target achievement levels are determined for each year of the performance period, which are then averaged. As far as the sub-targets of the social dimension are concerned, target achievement levels are also determined for each year of the performance period, which are averaged to determine the individual target achievement level of a sub-target. The individual target achievement levels of the sub-targets are then averaged to determine an average target achievement for the social targets.

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. However, in justified special cases, the Supervisory Board has the option of taking appropriate account of extraordinary developments in the LTI in accordance with the remuneration system.

Determination of the LTI After the end of the performance period, the final number of VPSs is determined by multiplying the number of VPSs that are promised conditionally by the weighted total target achievement. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 180 percent of the target amount.

2.3 Overview of the variable remuneration granted and owed in 2025

The following table summarizes the short-term and long-term variable remuneration resulting from the performance criteria that was granted or owed for 2025:

	Dr. Sebastian C. Schulte	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller (bis 31. Januar 2025)	Oliver Neu
STI 2025				
Target amount	508 thousand	€308 thousand	€30 thousand	€300 thousand
Total target achievement	118.05 %	118.05 %	118.05 %	118.05 %
Amount payable	€600 thousand	€364 thousand	€35 thousand	€354 thousand
LTI 2022–2025				
Target amount	€561 thousand	€62 thousand	€370 thousand	–
Allocation price	€6.80	€6.80	€6.80	–
Number of virtual shares	82,618	9,075	54,448	–
Total target achievement	126.88 %	126.88 %	126.88 %	–
Final number of VPSs	104,826	11514.33	69,084	–
Closing price	€8.38	8.38	€8.38	–
Amount payable	€878 thousand	€96 thousand	€579 thousand	–
Variable remuneration granted and owed (total)	€1,478 thousand	€460 thousand	€614 thousand	€354 thousand

	Dr.-Ing. Frank Hiller (bis 13. Februar 2022)	Timo Krutoff (bis 30. November 2024)	Michael Wellenzohn (bis 6. September 2022)
STI 2025			
Target amount	–	–	–
Total target achievement	–	–	–
Amount payable	–	–	–
LTI 2022–2025			
Target amount	€174 thousand	€31 thousand	€365 thousand
Allocation price	€6.80	€6.80	€6.80
Number of virtual shares	25,605	4,537	53,712
Total target achievement	126.88 %	126.88 %	126.88 %
Final number of VPSs	32,488	5756.51	68,150
Closing price	€8.38	€8.38	€8.38
Amount payable	€272 thousand	€48 thousand	€571 thousand
Variable remuneration granted and owed (total)	€272 thousand	€48 thousand	€571 thousand

2.4 Miscellaneous

Malus und clawback The short-term variable remuneration and the virtual performance shares are subject to malus and clawback conditions. This means that if, as proved by the Company, a Board of Management member is in serious violation of applicable law, his or her statutory obligations, or the obligations in his or her employment contract, the Supervisory Board is entitled to withhold some of the variable remuneration that has not yet been paid (malus) and to claw back variable remuneration that has already been paid. The Supervisory Board decides on this at its professional discretion. The Supervisory Board did not withhold or claw back any variable remuneration components in 2025.

Share Ownership Guidelines Management Board members are obligated to hold shares in DEUTZ AG in accordance with the Share Ownership Guidelines. The Share Ownership Guidelines set an investment target of 150 percent of annual net basic annual remuneration for the Management Board Chair (CEO), and a target of 100 percent for the ordinary Management Board members. The required shareholdings must be accumulated over five-year period from the effective date of the Share Ownership Guidelines, or from a new, first-time order period. Board of Management members are obligated to hold the shares until the end of their Board of Management mandate. The shares held by Board of Management members are valued on the basis of the equivalent value that is current as of the time of purchase. The shareholdings of the members of the Board of Management as of December 31, 2025, are as follows:

Share Ownership Guideline

Board of Management ²⁵⁸	Target		Status quo
	€ thousand	€ thousand	%
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	675 T€	1,282 T€	190 %
Dr.-Ing. Petra Mayer	298 T€	211 T€	71 %
Oliver Neu	290 T€	154 T€	53 %

Adherence to the maximum remuneration limit As well as limiting the variable remuneration components, the Supervisory Board has specified a maximum amount of remuneration for each member of the Board of Management pursuant to section 87a (1) sentence 2 no. 1 AktG that limits the remuneration to be paid that was granted for a particular year. This maximum remuneration encompasses the basic remuneration granted, additional benefits, retirement pension, payments under the STI and LTI, and any special bonuses.

The following maximum remuneration amounts for the members of the DEUTZ Board of Management correspond to the maximum remuneration amounts specified in the 2024 remuneration system:

Maximum remuneration pursuant to section 87 a (1) sentence 2 no. 1 AktG

Board of Management member	
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	€ 3,200 thousand
Dr.-Ing. Petra Mayer	€ 2,200 thousand
Dr.-Ing. Markus Müller (until January 31, 2025)	€ 2,200 thousand
Oliver Neu	€ 2,200 thousand

For 2025, the maximum remuneration limit was adhered to in respect of the basic remuneration, additional benefits, retirement pension, and payments under the STI without having to reduce any component. Because the amount payable for the multi-year variable remuneration will not be known until the third year after the end of the reporting year owing to the four-year performance period, it will not be possible to report conclusively on adherence to the maximum remuneration limit for 2025 until the remuneration report for 2028.

With the end of the performance period for the multi-year variable remuneration 2022-2025 on December 31, 2025, it is clear that the maximum remuneration has been met by each of the Board of Management members active in the 2022 financial year without a reduction in any component:

²⁵⁸ Dr. Ing. Markus Müller stepped down from the Board of Management effective January 31, 2025. His obligation under the Share Ownership Guideline applied until that date.

Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG

	Dr. Sebastian C. Schulte	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller	Dr.-Ing. Frank Hiller	Timo Krutoff	Michael Wellenzohn
	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand	€ thousand
Basic remuneration 2022	818	97	580	250	48	387
+ Additional benefits 2022	19	2	20	9	1	16
+ STI 2022	618	67	405	192	34	270
+ LTI 2022–2025	878	96	579	272	48	571
= Total remuneration granted in 2022	2,333	262	1,584	723	131	1,244
+ Pension expense in 2022	135	50	50	150	—	80
Total remuneration in 2022	2,468	312	1,634	873	131	1,324
Maximum remuneration 2022	2,800	1,900	1,900	2,800	1,900	1,900

Benefits in the event of premature termination of Board of Management activity

If the service contract or the appointment of a member of the Board of Management ends prematurely without good cause in the meaning of section 626 of the German Civil Code (BGB), the member of the Board of Management receives severance pay in an amount equal to the total remuneration expected to be payable by the Company for the remaining original term, albeit in any event for no more than a period of two years (severance cap).

Dr.-Ing. Markus Müller stepped down from the Board of Management prematurely and by mutual agreement, with effect from January 31, 2025. The following was agreed with Dr.-Ing. Müller as part of the termination agreement: Dr.-Ing. Müller does not receive a severance payment. He receives the basic remuneration to which he is entitled until the end of his contract on January 31, 2025. The STI and LTI remuneration components to which Dr.-Ing. Müller is entitled will be allocated pro rata for the period from January 1, 2025 to January 31, 2025. The portion attributable to the performance-related remuneration is due at the end of the respective performance period. The degree of target achievement for short-term and long-term variable remuneration is determined together with the entitlements of the other members of the Board of Management. The targets of the originally set target achievement are decisive in this context. The payments are due no later than six months after the end of the performance period. Entitlements from the long-term variable remuneration from Dr. Müller's time as an executive employee remain unaffected by the regulations on the termination of his position on the Board of Management. In addition, Dr.-Ing. Müller is granted additional benefits for January 2025. This includes the use of a company car, a pension benefit of around € 4 thousand, and the assumption of accident insurance until January 31, 2025, as well as a ten-year continuation of D&O insurance, with the Company assuming the associated costs.

C. Amount of Board of Management remuneration in 2025

C.1 Remuneration for Board of Management members who were current members in the reporting year

Remuneration promised and remuneration granted and owed in the 2025 financial year The remuneration that was promised to the members of the Board of Management and the remuneration that was granted and owed in 2025 pursuant to section 162 (1) sentence 1 AktG is shown in the following tables.

Promised remuneration: Remuneration promised is the remuneration that is promised to the Board of Management members for 2025, irrespective of the timing of payment (target remuneration).

In respect of the remuneration components in 2025, "promised" specifically refers to the following:

Remuneration promised in 2025

Remuneration components

Basic remuneration
Additional benefits
Pension expense
STI 2025 (granted in 2025)
LTI 2025–2028 (to be granted in 2028)

Granted and owed: Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2025, »granted and owed« specifically refers to the following:

Remuneration granted and owed in 2025 (section 162 (1) sentence 1 AktG)²⁵⁹

Remuneration components

Basic remuneration
Additional benefits
STI 2025 (promised in 2025)
LTI 2022–2025 (promised in 2022)

²⁵⁹ Pension expenses for a year are not deemed remuneration granted and owed pursuant to section 162 (1) sentence 2 no. 1 AktG because the work to which the remuneration is related has not yet been performed in full.

The following tables show the remuneration promised to the members of the Board of Management in 2025 (target remuneration):

Target remuneration

	Dr. Sebastian C. Schulte, Chairman of the Board of Management				Dr.-Ing. Petra Mayer, ordinary member of the Board of Management			
	2025		2024		2025		2024	
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%
Basic remuneration	900	40.9	850	40.7	596	44.3	580	44.0
+ Additional benefits	21	1.0	20	1.0	21	1.6	18	1.4
= Total non-performance-related remuneration	921	41.8	870	41.7	617	45.9	598	45.4
+ One-year variable remuneration (total)	508	23.1	480	23.0	308	22.9	300	22.8
STI 2024	–	–	480	23.0	–	–	300	22.8
STI 2025	508	23.1	–	–	308	22.9	–	–
+ Multi-year variable remuneration (total)	622	28.3	587	28.1	370	27.5	370	28.1
LTI 2024–2027	–	–	587	28.1	–	–	370	28.1
LTI 2025–2028	622	28.3	–	–	370	27.5	–	–
= Total performance-related remuneration	1,130	51.3	1,067	51.1	678	50.4	670	50.8
+ Expense for occupational pension scheme	150	6.8	150	7.2	50	3.7	50	3.8
= Total remuneration	2,201	100.0	2,087	100.0	1,345	100.0	1,318	100.0

Target remuneration

	Dr.-Ing. Markus Müller, ordinary member of the Board of Management				Oliver Neu, ordinary member of the Board of Management			
	2025 ²⁶⁰		2024		2025		2024	
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%
Basic remuneration	56	43.5	673	44.6	580	43.9	145	44.1
+ Additional benefits	2	1.6	20	1.3	21	1.6	4	1.2
= Total non-performance-related remuneration	58	45.1	693	46.0	601	45.5	149	45.3
+ One-year variable remuneration (total)	30	23.1	348	23.1	300	22.7	75	22.8
STI 2024	–	–	348	23.1	–	–	75	22.8
STI 2025	30	23.1	–	–	300	22.7	–	–
+ Multi-year variable remuneration (total)	37	28.5	417	27.7	370	28.0	93	28.1
LTI 2024 – 2027	–	–	417	27.7	–	–	–	–
LTI 2025 – 2028	37	28.5	–	–	370	28.0	93	28.1
= Total performance-related remuneration	67	51.7	765	50.7	670	50.7	168	50.9
+ Expense for occupational pension scheme	4	3.2	50	3.3	50	3.8	13	3.8
= Total remuneration	129	100.0	1,508	100.0	1,321	100.0	329	100.0

²⁶⁰ Dr.-Ing. Markus Müller's Board of Management contract ended on January 31, 2025, and he left the Board of Management on the same date. During the reporting period, the remuneration was reduced pro rata temporis as of the end of the Board of Management contract.

The following tables show the remuneration granted and owed to the members of the Board of Management in 2025 pursuant to section 162 (1) sentence 1 AktG:

Remuneration granted and owed

	Dr. Sebastian C. Schulte, Chairman of the Board of Management				Dr.-Ing. Petra Mayer, ordinary member of the Board of Management			
	2025		2024		2025		2024	
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%
Basic remuneration	900	37.5	850	51.3	596	55.3	580	61.9
+ Additional benefits	21	0.9	20	1.2	21	2.0	18	1.9
= Total non-performance-related remuneration	921	38.4	870	52.5	617	57.3	598	63.8
+ One-year variable remuneration (total)	600	25.0	543	32.8	364	33.8	340	36.2
STI 2024	–	–	543	32.8	–	–	340	36.2
STI 2025	600	25.0	–	–	364	33.8	–	–
+ Multi-year variable remuneration (total)	878	36.6	245	–	96	9.0	–	–
LTI 2021–2024	–	–	245	–	–	–	–	–
LTI 2022–2025	878	36.6	–	–	96	9.0	–	–
= Total performance-related remuneration	1,478	61.6	788	47.5	460	42.7	340	36.2
+ Miscellaneous ²⁶¹	0	0.0	–	–	–	–	–	–
= Total remuneration	2,399	100.0	1,658	100.0	1,077	100.0	938	100.0

Remuneration granted and owed

	Dr.-Ing. Markus Müller, ordinary member of the Board of Management (until January 31, 2025)				Oliver Neu, ordinary member of the Board of Management			
	2025 ²⁶²		2024		2025		2024	
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand	%
Basic remuneration	56	8.3	673	52.5	580	60.7	145	62.0
+ Additional benefits	2	0.3	20	1.6	21	2.2	4	1.7
= Total non-performance-related remuneration	58	8.6	693	54.1	601	62.9	149	63.7
+ One-year variable remuneration (total)	35	5.2	394	30.7	354	37.1	85	36.3
STI 2024	–	–	394	30.7	–	–	85	36.3
STI 2025	35	5.2	–	–	354	37.1	–	–
+ Multi-year variable remuneration (total)	579	86.1	194	15.2	–	0.0	–	–
LTI 2021 – 2024	–	–	194	15.2	–	–	–	–
LTI 2022 – 2025	579	86.1	–	–	–	–	–	–
= Total performance-related remuneration	614	91.4	588	45.9	354	37.1	85	36.3
+ Miscellaneous	–	–	–	–	–	–	–	–
= Total remuneration	672	100.0	1,281	100.0	955	100.0	234	100.0

²⁶¹Miscellaneous remuneration comprises any remuneration not covered by the other remuneration components, e.g. severance payments or compensation for a non-compete period.

²⁶²Dr.-Ing. Markus Müller's Board of Management contract ended on January 31, 2025, and he left the Board of Management on the same date. During the reporting period, the remuneration was reduced pro rata temporis as of the end of the Board of Management contract.

Remuneration of the members of the Board of Management in the 2025 financial year pursuant to section 314 (1) no. 6 a HGB

The total amount of remuneration of the Board of Management of DEUTZ AG expensed for the 2025 financial year amounted to € 6,314 thousand (2024: € 5,201 thousand). This consists of short-term benefits due in the amount of € 4,037 thousand (2024: € 4,380 thousand) and share-based long-term benefits due under the long-term incentive plans in the amount of € 2,277 thousand (2024: € 821 thousand).

At DEUTZ AG and within the Group, the remuneration of former members of the Board of Management and their surviving dependents amounted to € 1,820 thousand (2024: € 2,697 thousand). Provisions for pensions owed to former members of the Board of Management amount to € 7,554 thousand (December 31, 2024: € 8,495 thousand).

Review of whether Management remuneration is typical

The Supervisory Board regularly reviews the level of the Board of Management's remuneration in order to ensure that it is typical for the market and is competitive. This review involves checking and assessing factors such as whether the remuneration is typical in comparison with that of Board of Management members in similar companies and is typical in comparison with remuneration and employment conditions within DEUTZ. Companies are selected that are similar to DEUTZ, particularly in terms of the criteria country, sector, and size. Within DEUTZ, a comparison is made with the current situation and with the situation over time in respect of senior management and the workforce as a whole.

The remuneration of the Board of Management members was last reviewed in 2023. It was found to be typical. Two peer groups were formed in order to assess whether the remuneration is typical in comparison with that in similar companies. The first peer group primarily consisted of German listed companies that were similar to DEUTZ in terms of sector, volume of revenue, and number of employees. The following companies formed part of this peer group: Aumann AG, DMG Mori AG, ElringKlinger AG, Hella GmbH & Co. KGaA, Jost Werke SE, Jungheinrich AG, Kion Group AG, Knorr-Bremse AG, SAF-Holland SE, Schaeffler AG, SGL Carbon SE, STABILUS SE, Sulzer AG, Traton SE, VARTA AG, Vitesco Technologies Group AG, Wacker Neuson SE. The SDAX was chosen as the second peer group because DEUTZ is listed on the SDAX.

C.2 Remuneration of former members of the Board of Management

The remuneration that was granted and owed to the former members of the DEUTZ AG Board of Management pursuant to section 162 (1) sentence 2 no. 1 AktG amounted to a total of € 2,278 thousand in the 2025 financial year.

Mr. Krutoff, who stepped down from the Board of Management in the 2024 financial year, is entitled to granted and owed compensation in the 2025 financial year to settle his remuneration entitlements due to premature termination, which were entirely attributable to non-performance-related components. Of the granted and owed compensation, € 398 thousand (89.2 percent of total remuneration) is attributable to the STI 2025, for which a target achievement of 144.8 percent was mutually agreed as part of his departure. The portion of the compensation for the LTI 2025 depends materially on the performance of the DEUTZ share price during the relevant performance periods, which means that the financial value of this variable component of the compensation cannot be determined until 2028 after the end of the performance period for the LTI 2025 tranche. Furthermore, an amount of € 46 thousand was paid into the benevolent fund under the occupational pension plan agreed with Mr. Krutoff. In the 2025 financial year, Mr. Krutoff was also granted the performance-related LTI of € 48 thousand that was allocated in 2022 (10.8 % of total remuneration).

Dr.-Ing. Hiller, who stepped down from the Board of Management in the 2022 financial year, was granted remuneration of € 896 thousand in the 2025 financial year, which is fully attributable to the performance-related LTI granted in the 2022 financial year. The payout amount for the period from January to April 2022 is based on the actual target achievement and amounts to € 272 thousand. For the period from May to December 2022, a final target achievement of 145.37% was agreed as part of the compensation payment, resulting in a payout amount of € 624 thousand.

Mr. Wellenzohn, who stepped down from the Board of Management during the 2022 financial year, was also granted € 571 thousand, which is entirely attributable to the performance-related long-term incentive (LTI) awarded in 2022.

The remuneration granted and owed to Dr. Margarete Haase, who stepped down from the Board of Management in the 2018 financial year, amounted to € 49 thousand in the 2025 financial year, and was entirely attributable to her fixed, non-performance-related retirement pension. Dr.-Ing. Helmut Leube, who stepped down from the Board of Management in 2016, received a fixed, non-performance-related retirement pension of € 67 thousand in 2025. The remuneration of the other former members, who stepped down from the DEUTZ AG Board of Management more than ten years ago, amounted to € 249 thousand in 2025 and was entirely attributable to fixed, non-performance-related retirement pensions.

C.3 Disclosures on the relative change in the remuneration of the Board of Management, the remuneration of the rest of the workforce, and the Company's earnings performance

The following table shows the year-on-year change in the remuneration granted and owed to the Board of Management members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The change in the remuneration granted and owed to the Management Board members is based on the remuneration shown above (see section C. "Amount of Management Board remuneration in 2025", chapters 1 and 2, remuneration granted and owed).

The earnings performance is presented on the basis of EBIT for the Company (DEUTZ AG) and on the basis of EBIT before exceptional items for the Group (DEUTZ Group). The remuneration of the workforce shows the average remuneration of the salaried and non-salaried employees of the Company (DEUTZ AG) in Germany (excluding trainees, apprentices, and interns). To ensure comparability, the remuneration of part-time workers was extrapolated into remuneration for full-time equivalents.

The pension payments to Dr. Margarete Haase and Dr.-Ing. Helmut Leube, who have already stepped down from the Management Board, will be made by the benevolent fund and not by DEUTZ AG.

	2025	2025 vs. 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021
Board of Management remuneration	Absolute values in € thousand	Year-on-year change (%)			
Dr. Sebastian C. Schulte	2399	44.7	5.7	7.8	40.3
Dr.-Ing. Petra Mayer	446	-70.0	44.3	1144.4	-
Dr.-Ing. Markus Müller (until January 31, 2025)	1077	14.8	-9.3	522.8	-
Oliver Neu (since October 1, 2024)	672	-47.5	23.7	3.1	22.0
Dr.-Ing. Frank Hiller (until February 13, 2022)	955	-47.5	-	-	-
Timo Krutoff (until November 30, 2024)	896	55.0	-17.4	-73.3	80.1
Michael Wellenzohn (until September 6, 2022)	571	137.0	-45.9	-7.7	-7.7
Dr. Andreas Strecker (until February 28, 2021)	0	-100.0	-	-	-100.0
Dr. Margarete Haase (until April 30, 2018)	49	-14.0	1.0	1.0	1.0
Dr.-Ing. Helmut Leube (until December 31, 2016)	67	-15.8	1.0	1.0	1.0
Earnings performance of DEUTZ					
EBIT of DEUTZ AG	€29.2 million	39.9	-0.7	0.0	1.0
EBIT before exceptional items of the DEUTZ Group	€112.3 million	46.4	-3,630.0	34.7	140.3
Average remuneration of the DEUTZ AG workforce					
Workforce		7.0	-8.8	12.2	3.5

III. Remuneration for Supervisory Board members

A. Remuneration system in 2025

The remuneration system for the Supervisory Board, which is governed by section 15 of the Company's Statutes, was submitted to the Annual General Meeting on April 27, 2023, and approved by the AGM with 99.73 percent of the votes. The remuneration of the Supervisory Board is structured so as to help to attract highly qualified people to the Supervisory Board and ensure that they remain with the Company. This means that the Supervisory Board can advise the Board of Management on the development of strategy and monitor the work of the Board of Management.

The annual remuneration of the Supervisory Board members consists of fixed basic remuneration, fixed remuneration for committee membership, and attendance fees for participating in meetings of the Supervisory Board and its committees. The basic remuneration and committee remuneration are paid annually after the end of the financial year, before the Annual General Meeting; the attendance fees are paid after each meeting attended.

Each ordinary member of the Supervisory Board is paid fixed basic remuneration of € 45,000 per year. The chairperson of the Supervisory Board receives € 112,500 and the deputy receives € 67,500. In addition, members of the Audit Committee receive €25,000 per year and members of the Human Resources Committee receive €20,000 per year, members of the Nomination Committee receive €10,000 per year and members of the Mediation Committee receive €5,000 per year. The chairpersons of each committee receive double these amounts, and their deputies one-and-a-half times these amounts. In addition, each member is paid an attendance fee of € 2,000 for each Supervisory Board meeting and committee meeting attended.

Furthermore, DEUTZ reimburses the members of the Supervisory Board for any VAT they incur in connection with the performance of their mandate and ensures that appropriate liability insurance is taken out (D&O insurance).

B. Remuneration granted and owed in 2025

The remuneration granted and owed to the members of the Supervisory Board in 2025 is shown below. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Supervisory Board member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2025, »granted and owed« specifically refers to the following:

**Remuneration granted and owed in 2025
(section 162 (1) sentence 2 no. 1 AktG)**

Remuneration components

Fixed basic remuneration (promised for membership of the Supervisory Board in 2025)
Remuneration for committee membership (promised for membership of a committee in 2025)
Attendance fee (promised for attendance of meetings in 2025)

The remuneration granted and owed for the 2025 financial year amounts to a total of € 1,285 thousand for all members of the Supervisory Board in the 2025 financial year, including pro rata temporis where applicable. The breakdown of the total remuneration by individual Supervisory Board member is shown in the following table:

	Fixed basic remuneration		Remuneration for committee membership		Attendance fee		Total remune- ration
	€ thousand	%	€ thousand	%	€ thousand	%	€ thousand
Dr. Dietmar Voggenreiter (Chair)	112.5	44.7	95.0	37.8	44.0	17.5	251.5
Sabine Beutert (Deputy Chair) ^{ER263}	67.5	37.1	72.5	39.8	42.0	23.1	182.0
Dr. Fabian Dietrich (until 30.11.25) ^{ER}	41.2	65.2	0.0	0.0	22.0	34.8	63.2
Silvia Eidt (since 09.12.2025) ^{ER}	2.8	58.6	0.0	0.0	2.0	41.4	4.8
Helmut Ernst	45.0	65.2	0.0	0.0	24.0	34.8	69.0
Melanie Freytag ^{ER}	45.0	60.8	5.0	6.8	24.0	32.4	74.0
Patricia Geibel-Conrad	45.0	30.8	65.0	44.5	36.0	24.7	146.0
Ismail-Hilmi Kocer ^{ER}	45.0	65.2	0.0	0.0	24.0	34.8	69.0
Gottfried Laengert ^{ER}	45.0	60.8	5.0	6.8	24.0	32.4	74.0
Dr.-Ing. Rudolf Maier	45.0	41.3	30.0	27.5	34.0	31.2	109.0
Bernd Maierhofer	45.0	65.2	0.0	0.0	24.0	34.8	69.0
Katja Olligschläger ^{ER}	45.0	43.3	25.0	24.0	34.0	32.7	104.0
Hans-Jörg Schaller ^{ER}	45.0	65.2	0.0	0.0	24.0	34.8	69.0
Total	629.0		297.5		358.0		1,284.5

²⁶³ ER = employee representative

C. Disclosures on the relative change in the remuneration of the Supervisory Board, the remuneration of the rest of the workforce, and the Company's earnings performance

The following table shows the year-on-year change in the remuneration granted and owed to the Board of Management members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The earnings performance of DEUTZ AG and the remuneration of its workforce are calculated in the same way as in the section on Board of Management remuneration.

	2025	2025 vs. 2024	2024 vs. 2023	2023 vs. 2022	2022 vs. 2021
Supervisory Board remuneration	Absolute values (€ thousand)	Year-on-year change (%)			
Dr. Dietmar Voggenreiter (Chair)	251.5	0.0	13.8	29.9	236.8
Sabine Beutert (Deputy Chair) ^{ER264}	182.0	0.0	14.3	70.7	25.1
Dr. Fabian Dietrich (until 30.11.2025) ^{ER}	63.2	-35.9	26.6	41.4	8.9
Silvia Eidt (since 09.12.2025) ^{ER}	4.8	0.0	0.0	-	-
Helmut Ernst	69.0	9.5	43.84	—	—
Melanie Freytag	74.0	8.8	43.46	—	—
Patricia Geibel-Conrad	146.0	6.6	18.9	35.6	5.6
Ismail-Hilmi Kocer ^{ER}	69.0	9.5	71.66	—	—
Gottfried Laengert ^{ER}	74.0	8.8	73.47	—	—
Dr.-Ing. Rudolf Maier	109.0	1.9	23.0	58.3	8.9
Bernd Maierhofer	69.0	9.5	43.84	—	—
Katja Olligschläger ^{ER}	104.0	61.2	132.03	—	—
Hans-Jörg Schaller ^{ER}	69.0	9.5	71.66	—	—
Earnings performance of DEUTZ					
EBIT of DEUTZ AG	€29.2 million	39.9	-0.7	-0.0	104.1
EBIT before exceptional items of the DEUTZ Group	€112.3 million	46.4	-3,630.0	34.7	140.3
Average remuneration of the DEUTZ AG workforce					
Workforce		7.0	-8.8	12.2	3.5

²⁶⁴ ER = employee representative

Auditors's report

To DEUTZ Aktiengesellschaft, Köln

We have audited the accompanying remuneration report of DEUTZ Aktiengesellschaft, Cologne, prepared to comply with § 162 AktG (Aktengesetz: German Stock Corporation Act) for the financial year from 1 January 2024 to 31 December 2024 and the related disclosures

Responsibilities of the executive directors and the Supervisory Board

The executive directors and the supervisory board of DEUTZ Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit opinion

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1, 2024, to December 31, 2024, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Other matters – Formal audit of the remuneration report

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Engagement Terms and Liability

This auditor's report is intended exclusively for DEUTZ Aktiengesellschaft, Cologne, for information on the result of the audit and liability is limited in accordance with the "BDO AG Wirtschaftsprüfungsgesellschaft – Special Terms and Conditions" dated March 1, 2024 agreed with the company and the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated January 1, 2024 as issued by the IDW (www.bdo.de/engagement-terms-conditions).

It was explicitly agreed in the audit contract with the client that the inclusion of third parties in the scope of protection is not intended. Therefore, we do not assume any responsibility towards third parties.

Hamburg, March 12, 2025

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Winkler
(German Public Auditor)

signed Hyckel
(German Public Auditor)

INDEX FOR 2025 CONSOLIDATED FINANCIAL STATEMENTS

189	Consolidated financial statements for 2025
192	Income statement for the DEUTZ Group
192	Statement of comprehensive income for the DEUTZ Group
193	Balance sheet for the DEUTZ Group
194	Statement of changes in equity for the DEUTZ Group
195	Cash flow statement for the DEUTZ Group
196	Notes to the consolidated financial statements 2025
196	Basis of presentation
199	Basis of consolidation
200	Principles of consolidation
201	Joint ventures and associates
201	Acquisitions
208	Acquisitions in previous years
209	Currency translation
209	Accounting policies
209	Revenue recognition
210	Borrowing costs
210	Property, plant and equipment
210	Leases
211	Intangible assets
211	Miscellaneous intangible assets
212	Impairment of non-financial assets
213	Government grants
213	Taxes
213	Inventories
213	Financial assets
214	Impairment of financial assets
215	Cash and cash equivalents
215	Financial liabilities
215	Derivative financial instruments and hedges
216	Provisions for pensions and other post-retirement benefits
217	Other provisions
217	Contingent liabilities
217	Effects of geopolitical risks and uncertainties

245	Other information
245	25. Leases
246	26. Financial risk management and additional information on capital management
257	27. Interests in other entities
258	28. Contingent liabilities
258	29. Related-party disclosures
259	30. Events after the reporting period
259	31. Share-based remuneration programs
262	32. Staff costs
263	Disclosures under German accounting standards
263	33. Average number of employees during the year (pursuant to section 314 (1) no. 4 HGB)
263	34. Corporate governance
263	35. Auditor's fees
263	36. Total remuneration for the Board of Management, former Board of Management members, and the Supervisory Board
264	37. Disclosures under the German Securities Trading Act (WpHG)
265	38. Supervisory Board and Board of Management
266	Shareholdings of DEUTZ AG
269	Annual Financial statements in accordance with the German Commercial Code (HGB)
269	Balance sheet of DEUTZ AG
270	Income statement of DEUTZ AG

INCOME STATEMENT FOR THE DEUTZ GROUP

€ million

	Note	2025	2024
Revenue	1	2,043.8	1,813.7
Cost of sales	2	-1,604.4	-1,412.9
Research and development costs	3	-94.1	-100.4
Selling expenses	4	-168.5	-143.0
General and administrative expenses	4	-130.4	-111.7
Other operating income	5	51.2	24.7
Other operating expenses	6	-25.3	-29.6
Impairment of financial assets and reversals thereof		-2.0	-0.2
Profit/loss on equity-accounted investments	7	3.3	0.9
Other net investment income	7	0.3	0.4
EBIT		73.9	41.9
Interest income	8	1.0	2.4
Interest expense	8	-20.2	-20.9
Other financial income	8	0.0	1.3
Financial income, net	8	-19.2	-17.2
Net income before income taxes from continuing operations		54.7	24.7
Income taxes	9	-0.6	17.3
Net income from continuing operations		54.1	42.0
Net income from discontinued operations		0.0	9.8
Net income		54.1	51.8
thereof attributable to shareholders of DEUTZ AG		53.6	51.8
thereof attributable to non-controlling interests		0.5	0.0
Earnings per share (basic/diluted, €)	10	0.37	0.39
thereof from continuing operations		0.37	0.32
thereof from discontinued operations		0.00	0.07

STATEMENT OF COMPREHENSIVE INCOME FOR THE DEUTZ GROUP

€ million

	Note	2025	2024
Net income		54.1	51.8
Amounts that will not be reclassified to the income statement in the future	11	-0.7	3.6
Remeasurement of defined benefit plans		-0.7	3.6
Amounts that will be reclassified to the income statement in the future if specific conditions are met	11	-28.6	-0.1
Currency translation differences		-21.0	4.7
thereof profit/loss on equity-accounted investments		-3.3	-0.9
thereof translation differences from discontinued operations		0.0	0.0
Effective portion of change in fair value from cash flow hedges		1.5	-2.3
Fair value of financial instruments		-9.1	-2.5
Other comprehensive income, net of tax	11	-29.3	3.5
Comprehensive income		24.8	55.3
thereof attributable to shareholders of DEUTZ AG		24.3	55.3
thereof attributable to non-controlling interests		0.5	0.0

BALANCE SHEET FOR THE DEUTZ GROUP

€ million

Assets	Note	Dec. 31, 2025	Dec. 31, 2024
Property, plant and equipment	12	438.4	418.4
Intangible assets	13	474.6	303.0
Equity-accounted investments	14	41.1	43.8
Other financial assets	15	15.3	18.4
Non-current assets (before deferred tax assets)		969.4	783.6
Deferred tax assets	16	163.8	153.9
Non-current assets		1,133.2	937.5
Inventories	17	451.0	431.6
Trade receivables	18	192.6	186.4
Other receivables and assets	18	55.0	53.4
Receivables in respect of tax refunds		16.8	12.4
Cash and cash equivalents	19	63.5	62.0
Current Assets		778.9	745.8
Total assets		1,912.1	1,683.3
Equity and liabilities	Note	Dec. 31, 2025	Dec. 31, 2024
Issued capital		390.8	354.7
Additional paid-in capital		170.8	78.9
Other reserves		-35.4	-6.8
Retained earnings and accumulated income		450.4	421.1
Equity attributable to shareholders of DEUTZ AG		976.6	847.9
Non-controlling interests		3.4	0.0
Equity	20	980.0	847.9
Provisions for pensions and other post-retirement benefits	21	68.1	77.3
Deferred tax liabilities	16	9.9	5.6
Other provisions	22	29.0	26.5
Financial debt	23	120.1	131.7
Other liabilities	24	19.1	20.0
Non-current liabilities		246.2	261.1
Provisions for pensions and other post-retirement benefits	21	9.0	9.8
Other provisions	22	81.0	82.5
Financial debt	23	212.8	155.9
Trade payables	24	260.7	235.0
Liabilities arising from income taxes		4.0	1.5
Other liabilities	24	118.4	89.6
Current liabilities		685.9	574.3
Total equity and liabilities		1,912.1	1,683.3

STATEMENT OF CHANGES IN EQUITY FOR THE DEUTZ GROUP

€ million

	Issued capital ²⁶⁵	Additional paid-in capital ²⁶⁶	Retained earnings & accumulated income ²⁶⁷	Fair value reserve ^{268,269}	Currency translation reserve ²⁷⁰	Equity attributable to shareholders of DEUTZ AG	Non-controlling interests	Total ²⁷¹
Balance at Jan. 1, 2024	322.5	40.3	387.1	-6.3	-0.4	743.2	0.0	743.2
Dividend payments to shareholders			-21.4			-21.4		-21.4
Capital increase	32.2	38.6				70.8		70.8
Net income			51.8			51.8	0.0	51.8
Other comprehensive income			3.6	-4.8	4.7	3.5	0.0	3.5
Comprehensive income			55.4	-4.8	4.7	55.3	0.0	55.3
Balance at Dec. 31, 2024	354.7	78.9	421.1	-11.1	4.3	847.9	0.0	847.9
Balance at Jan. 1, 2025	354.7	78.9	421.1	-11.1	4.3	847.9	0.0	847.9
Dividend payments to shareholders			-23.6			-23.6	-0.9	-24.5
Capital increase	36.1	91.9				128.0		128.0
Net income			53.6			53.6	0.5	54.1
Other comprehensive income			-0.7	-7.6	-21.0	-29.3	0.0	-29.3
Comprehensive income			52.9	-7.6	-21.0	24.3	0.5	24.8
Changes to basis of consolidation						0.0	3.8	3.8
Balance at Dec. 31, 2025	390.8	170.8	450.4	-18.7	-16.7	976.6	3.4	980.0

²⁶⁵ The items of equity are explained in Note 22 of the notes to the consolidated financial statements.

²⁶⁶ The items of equity are explained in Note 22 of the notes to the consolidated financial statements.

²⁶⁷ The items of equity are explained in Note 22 of the notes to the consolidated financial statements.

²⁶⁸ On the balance sheet these items are aggregated under 'Other reserves'.

²⁶⁹ Reserves from the measurement of cash flow hedges and reserves from the measurement of financial instruments.

²⁷⁰ On the balance sheet these items are aggregated under 'Other reserves'.

²⁷¹ The items of equity are explained in Note 22 of the notes to the consolidated financial statements.

CASH FLOW STATEMENT FOR THE DEUTZ GROUP

€ million

	Note	2025	2024
EBIT		73.9	41.9
Income taxes paid		-15.5	-23.7
Depreciation, amortization and impairment of non-current assets		95.7	104.1
Gains on the sale of non-current assets		0.0	-0.7
Profit/loss and impairment on equity-accounted investments		-3.3	0.4
Other non-cash income and expenses		-19.3	-0.8
Change in working capital		6.8	14.4
Change in inventories		-13.8	27.7
Change in trade receivables		-4.7	34.7
Change in trade payables		25.3	-48.0
Change in other receivables and other current assets		11.2	-1.7
Change in provisions and other liabilities (excluding financial liabilities)		-6.1	-23.5
Cash flow from operating activities – continuing operations		143.4	110.4
Cash flow from operating activities – discontinued operations		0.0	-8.7
Cash flow from operating activities – total		143.4	101.7
Capital expenditure on intangible assets, property, plant and equipment		-82.1	-64.2
Expenditure on investments		0.0	-0.8
Expenditure on acquisition of subsidiaries / business operations		-163.7	-183.1
Proceeds from the sale of non-current assets		2.0	1.1
Cash flow from investing activities – continuing operations		-243.8	-247.0
Cash flow from investing activities – discontinued operations		0.0	75.1
Cash flow from investing activities – total		-243.8	-171.9
Dividend payments to shareholders		-23.6	-21.4
Dividend payments to non-controlling interests		-0.9	0.0
Interest income		1.1	2.5
Interest expense		-20.2	-19.0
Capital contributions from capital increase		127.5	70.8
Cash receipts from borrowings		181.3	175.7
Repayment of loans		-140.6	-148.5
Principal elements of lease payments		-20.5	-18.0
Cash flow from financial activities – continuing operations		104.1	42.1
Cash flow from financial activities – discontinued operations		0.0	-0.8
Cash flow from financial activities – total		104.1	41.3
Cash flow from operating activities – total		143.4	101.7
Cash flow from investing activities – total		-243.8	-171.9
Cash flow from financing activities – total		104.1	41.3
Change in cash and cash equivalents		3.7	-28.9
Cash and cash equivalents at Jan. 1		62.0	90.1
Change in cash and cash equivalents		3.7	-28.9
Change in cash and cash equivalents related to exchange rates		-2.2	0.8
Cash and cash equivalents at Dec. 31		63.5	62.0

Notes to the consolidated financial statements 2025

Basis of presentation

PARENT COMPANY

The parent company of the DEUTZ Group is DEUTZ AG. Its registered office is located at Ottostrasse 1, 51149 Cologne, Germany, and the Company is entered under no. HRB 281 in the commercial register at the local court in Cologne. The Board of Management approved these consolidated financial statements for publication by adoption of a resolution dated February 26, 2026.

DEUTZ AG shares are listed in the Deutsche Börse SDAX segment and are publicly traded on the Xetra electronic trading platform and on all German stock exchanges.

DEUTZ is a manufacturer of conventional drive systems and a system provider for innovative and sustainable mobility and energy solutions. Its business activities encompass the development, production, and marketing of high-performance drive systems for off-highway applications, alternative drive solutions, and decentralized energy and power generation systems. The defense business and the service business round off the portfolio. The service business comprises maintenance, repairs, spare parts, and remanufacturing as well as digital, data-driven services. Since the start of 2025, the Group's operating activities have been divided into the following operating segments: DEUTZ Engines & Services and DEUTZ Solutions. The figures for the prior-year period have been adjusted to reflect the new segment structure. The DEUTZ Engines & Services segment encompasses the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the defense business. This segment comprises the DEUTZ Classic and DEUTZ Service business units. The DEUTZ Solutions segment includes alternative drives as well as business activities that go beyond engine manufacturing and service. This segment comprises the DEUTZ New Technology and DEUTZ Energy business units. DEUTZ New Technology covers e-products, hydrogen internal combustion engines, battery management specialist Futavis, the UMS business (a specialist in the electrification of off-highway vehicles), and the associated service business. DEUTZ Energy comprises the business of genset manufacturer Blue Star Power Systems and that of MAGIDEUTZ.

BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The DEUTZ Group's consolidated financial statements prepared for the parent company DEUTZ AG are based on uniform accounting policies. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and their interpretations as adopted by the European Union (EU) and are consistent with the statutory obligations applicable to publicly traded parent companies subject to disclosure requirements pursuant to section 315e (1) of the German Commercial Code (HGB) in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council dated July 19, 2002 concerning the application of international accounting standards, as amended (IAS Regulation).

The consolidated financial statements are generally prepared using the cost method. Specific exceptions are derivative financial instruments and other financial instruments that are measured at fair value. The consolidated financial statements are prepared in euros. Unless otherwise stated, all figures are in millions of euros rounded up or down to one decimal place.

APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

1) Amendments to accounting policies

The accounting policies on which the consolidated financial statements are based are fundamentally the same as the policies applied in 2024 with the exceptions set out below:

»**Lack of Exchangeability**« (Amendments to IAS 21) The IASB published amendments to IAS 21 in August 2023. The amendments specify when a currency is exchangeable and how to determine the exchange rate when it is not. A currency is exchangeable when, as at the measurement date, it can be exchanged in any amount for another currency for a specified purpose without undue delay through a market or exchange mechanism in which a transaction would create enforceable rights and obligations. If the currency is not exchangeable, the spot rate as at the measurement date must be estimated. This would be the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing. When a currency is not exchangeable, the entity must disclose information in the notes on how the currency's lack of exchangeability affects the entity's financial position and financial performance. Where the functional currency differs from the presentation currency, the cumulative amount of translation differences must be recognized in equity. Initial application of these amendments did not have any impact on the consolidated financial statements.

2) Published standards, interpretations, and amendments that have already become part of EU law but are not yet mandatory

The IASB and the IFRS Interpretations Committee (IFRS IC) have published the following standards and amendments to standards that have already become part of EU law via the comitology procedure. However, the application of these standards was not yet mandatory in 2025 and DEUTZ has not opted to apply these interpretations or amendments to standards before the mandatory application date.

»Amendments to the Classification and Measurement of Financial Instruments« (Amendments to IFRS 9 and IFRS 7)

In May 2024, the IASB published amendments to IFRS 9 and IFRS 7 that are designed to clarify the assessment of contractual cash flows of financial assets with an environmental, social, or corporate governance (ESG)-linked feature. Another amendment relates to the settlement of liabilities using electronic payment systems. It aims to clarify the timing of the derecognition of financial assets or liabilities and introduces an option to derecognize a financial liability before the entity makes the cash payment on the settlement date. Furthermore, additional disclosures will be required in the notes to the financial statements regarding equity instruments measured at fair value and regarding financial instruments with contingent features (ESG). The amendments are effective for financial years commencing on or after January 1, 2026. The amendments are not expected to have any material impact on the consolidated financial statements.

»Contracts Referencing Nature-dependent Electricity« (Amendments to IFRS 9 and IFRS 7)

In December 2024, the IASB published amendments to IFRS 9 and IFRS 7 that are designed to help entities to better report the effects of nature-dependent electricity contracts (power purchase agreements, PPAs) in their financial statements. A distinction is made between physical and virtual PPAs. Both types are long-term energy supply agreements. A physical PPA involves the physical delivery of a fixed proportion of electricity at a fixed unit price. A virtual PPA involves net settlement in the amount of the difference between a predefined price and the spot price for the volume of electricity generated. The generation of nature-dependent electricity is unforeseeable in terms of timing and quantity, which means that an imbalance between electricity demand and electricity production can arise. According to the IASB's amendments, the own-use exemption must be applied to the long-term energy supply agreements if the entity is expected to be the net purchaser of the electricity throughout the term of the agreement, even if it has to sell any oversupply of electricity soon after delivery. The amendments also affect hedge accounting because contracts referencing nature-dependent electricity can be used as hedging instruments. New quantitative and qualitative disclosures are also required. These amendments are effective for reporting periods commencing on or after January 1, 2026. The rules regarding the own-use exemption must be applied retrospectively, while those regarding hedge accounting must

be applied prospectively. Early adoption is permitted, but DEUTZ will not be taking up this option. The evaluation of the impact on the Group is still ongoing.

IFRS 18 »Presentation and Disclosure in Financial Statements«

In April 2024, the IASB published the new IFRS 18 reporting standard, which is intended to replace IAS 1 »Presentation of Financial Statements« and make minor changes to IAS 7 »Statement of Cash Flows«. IFRS 18 will have an impact on the presentation and disclosure of information in the financial statements and in the notes. Entities will be required to assign all items of income and expense in the income statement to one of five categories: operating, investing, financing, income taxes, and discontinued operations.

IFRS 18 also contains extended, more detailed guidance on grouping information in the primary financial statements and in the notes. In the future, goodwill will have to be presented separately on the balance sheet, which will result in a change to the current practice of reporting it as part of intangible assets.

Certain entity-specific management-defined performance measures (MPMs), which are measures defined by the entity's senior management and are not specified in the IFRS accounting standards, will have to be disclosed separately in the notes to the financial statements.

Where the indirect method is used for the cash flow statement, the new rules require that operating profit be used as the starting point for the calculation of cash flow from operating activities. Furthermore, the presentation options for interest and dividends have been removed.

The new standard is effective for financial years commencing on or after January 1, 2027. The DEUTZ Group will apply the new standard from when application becomes mandatory. As it must be applied retrospectively, the comparative information for 2026 will have to be adjusted in accordance with IFRS 18. The Group is currently analyzing the possible impact of the new standard, in particular regarding the structure of the consolidated income statement, the cash flow statement, and the additional disclosures in relation to MPMs. It is also examining the impact on the way in which information is grouped in the financial statements.

»Annual Improvements to IFRS Accounting Standards - Volume 11« In July 2024, the IASB published amendments to the standards IAS 7, IFRS 1, IFRS 7, IFRS 9, and IFRS 10. The amendments clarify some of the wording and remove inconsistencies between the standards. These amendments are effective for reporting periods commencing on or after January 1, 2026. Earlier adoption is permitted, but DEUTZ will not be taking up this option. The amendments are not expected to have a material impact on the consolidated financial statements.

3) Published standards, interpretations, and amendments that have not yet been adopted by the EU

The IASB and the IFRS IC have published the following standards and interpretations that have not yet been adopted by the EU and have not yet been applied by the DEUTZ Group.

»Translation to a Hyperinflationary Presentation Currency« (Amendments to IAS 21) In November 2025, the IASB published amendments to IAS 21. The amendments clarify how amounts should be translated from a non-hyperinflationary functional currency into a hyperinflationary presentation currency. These amendments are effective for reporting periods commencing on or after January 1, 2027. Earlier adoption is permitted, but DEUTZ will not be taking up this option. The amendments are not expected to have any impact on the DEUTZ Group's consolidated financial statements.

IFRS 19 »Subsidiaries without Public Accountability: Disclosures« (and Amendments to IFRS 19) In May 2024, the IASB published the new IFRS 19 reporting standard. The new standard specifies reduced disclosure requirements that an eligible subsidiary is permitted to apply when preparing its IFRS annual financial statements. Eligible subsidiaries are those that do not have public accountability and whose parent entity prepares IFRS consolidated accounts that are available for public use. Application of the standard is voluntary. Subsidiaries that are required to calculate and report IFRS figures for the parent entity's consolidated financial statements can, if they apply this standard, only include reduced disclosures in their own IFRS financial statements. In August 2025, the IASB issued amendments to IFRS 19 that relate to the amendments to other standards published by it between February 2021 and May 2024. The new standard and the amendments of August 2025 are effective for financial years commencing on or after January 1, 2027. Earlier adoption is permitted. A new decision about whether to apply IFRS 19 can be made in every reporting period. The new standard has no direct impact on DEUTZ AG's consolidated financial statements.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

To a certain extent, the preparation of the consolidated financial statements in accordance with IFRS requires estimates and assumptions that have an impact on the recognition, measurement, and reporting of assets and liabilities, the disclosure of contingent liabilities as at the balance sheet date, and the reporting of income and expenses. Estimates and assumptions giving rise to a material risk in the form of adjustments to the carrying amounts of assets or liabilities over the next financial year are explained below. Adjustments to estimates are recognized in income when better knowledge becomes available.

Impairment of non-financial assets The DEUTZ Group conducts tests at each balance sheet date to determine whether there are any indications that non-financial assets, except goodwill, may be impaired. Goodwill must be tested for impairment at least once a year and on an ad hoc basis if there are any indications of impairment. In order to determine the recoverable amount, senior management must exercise judgment to estimate the future cash flows expected to be derived from the asset or from the cash-generating unit and select an appropriate discount rate to determine the present value of these cash flows.

Deferred tax assets The DEUTZ Group is obliged to pay income taxes in various countries. It therefore needs to make estimates on the basis of which tax provisions and deferred taxes can be recognized. When determining the amount of deferred tax assets, senior management must make judgments – which may involve material uncertainties – regarding the expected timing and amount of future taxable income as well as future tax planning strategies. DEUTZ mainly recognizes deferred tax assets on losses carried forward. They are recognized for all unused tax loss carryforwards to the extent that it is probable that future taxable profit will be available against which the loss carryforwards can actually be set off. Planning forecasts over a period of five years are used to determine the future taxable profit that is likely to be available.

As at December 31, 2025, the carrying amount of deferred tax assets recognized in respect of tax loss carryforwards amounted to €125.6 million (December 31, 2024: €116.6 million). Further details can be found in Note 16.

Pension benefits The expense for defined benefit plans is determined using actuarial calculations. These actuarial calculations are based largely on assumptions regarding discount rates, mortality, and future increases in pensions. These estimates are subject to material uncertainty owing to the long-term nature of these plans.

Because of changes in economic and market conditions, the costs and liabilities actually incurred may differ significantly from the estimates made on the basis of actuarial assumptions. The rate of pension increases, the longevity of those entitled to pension benefits, and the discount rate used can have a material impact on the amount of the defined benefit obligation and, consequently, on future pension costs.

Development expenditure is capitalized in accordance with the accounting policies described below. In order to determine the amounts to be capitalized, senior management makes assumptions about the amount of future cash flows expected to be generated from the development projects, the discount rates to be applied, and the period over which the cash is expected to flow into the Company. As at December 31, 2025, the carrying amount of capitalized development expenditure was €90.4 million (December 31, 2024: €65.9 million).

Pending or potential legal disputes DEUTZ AG and other group companies in the DEUTZ Group are subject to a variety of regulations under tax, competition, and patent law as well as to other legal and statutory requirements. Existing and potential legal disputes are recorded and analyzed on an ongoing basis at DEUTZ; they are assessed in terms of their legal and financial impact and an appropriate amount is recognized in the risk provisions in the accounts. At present, it is not possible to predict the outcome of pending cases with any degree of certainty beyond the provisions already recognized. We do not expect them to have a significant adverse impact on the DEUTZ Group's financial position or financial performance. The overall position as regards the legal risks facing the DEUTZ Group is explained in more detail in Note 28.

Business combinations When acquirees are consolidated for the first time, the identifiable assets and liabilities (including contingent liabilities) are recognized at their fair value as at the date of acquisition. The measurement of intangible assets is particularly subject to uncertainties. They are measured using accepted valuation methods on the basis of estimates of future cash flows, expected growth rates and exchange rates, discount rates, and useful lives.

Leases The lessee's incremental borrowing rate is used to measure lease liabilities because it is not possible to ascertain the interest rate implicit in the lease. The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow – over a similar term and with a similar level of security – the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment. This incremental borrowing rate is determined using observable inputs: interbank rate, intragroup interest margin for contributions and short-term funding, interest rates for mortgage bonds, and country risk premium. The average duration is also calculated. As lease liabilities are fully repaid over the lease term, it is assumed that the duration in each case is equivalent to half of the lease term.

For leases with an indefinite term, the duration of the lease term is estimated by taking account of aspects such as material disadvantages resulting from termination of the lease, the overall economic situation, the distinctive features of the leased asset, and the materiality of leasehold improvements. Leases with an annual termination option that can be exercised by either the lessee or the lessor, such option giving rise to only an immaterial termination penalty or other immaterial disadvantages for the lessee, are treated as short-term leases.

Basis of consolidation

All subsidiaries, joint ventures, and associates are included in the consolidated financial statements.

Subsidiaries are all entities directly or indirectly controlled by DEUTZ AG. DEUTZ AG has control over an entity when it is exposed to variable returns from its involvement with the entity and has power over the entity. It has power when it has existing rights that give it the current ability to direct the relevant activities of the entity in order to materially affect the variable returns. Control usually results from indirectly or directly holding the majority of the voting rights. Subsidiaries are consolidated from the point at which the parent company acquires control. Consolidation ends when the parent company no longer has control. In addition to DEUTZ AG, the consolidated financial statements include 14 German subsidiaries (2024: eight) and 36 foreign subsidiaries (2024: 29).

The HJS Group was included in the consolidated financial statements of DEUTZ AG for the first time as at January 6, 2025. HJS Emission Technology GmbH & Co. KG, Menden, in which DEUTZ Verwaltungs GmbH, Cologne, holds a 50% interest, holds 100% of the voting rights in HJS Emission Technology Ltd (UK), Swindon (England), and 99,9% of the voting rights in HJS Emission Technology India Pvt. Ltd., Haryana (India), and 51% of the voting rights in HJS Emission Technology SA (PTY) LTD, Rustenburg (South Africa).

With effect from May 22, 2025, the subsidiary DEUTZ Defense Systems GmbH, Cologne, was established and included in the consolidated financial statements of DEUTZ AG for the first time.

As at June 2, 2025, the UMS Group, comprising UMS Holding B.V., Oss (Netherlands), and Urban Mobility Systems B.V., Oss (Netherlands), was included in the consolidated financial statements of DEUTZ AG for the first time.

As at September 2, 2025, the SOBEK Group, comprising SOBEK Group GmbH, Hirschberg, SOBEK Drives GmbH, Rottenburg, and SOBEK Motorsport GmbH, Hirschberg, was included in the consolidated financial statements of DEUTZ AG for the first time.

As at October 2, 2025, DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi, Istanbul (Turkey), was included in the consolidated financial statements of DEUTZ AG for the first time.

As at November 3, 2025, Double Down Heavy Repair LLC, Elko (USA), was included in the consolidated financial statements of DEUTZ AG for the first time.

As at December 17, 2025, DEUTZ Power Systems GmbH was established and included in the consolidated financial statements of DEUTZ AG for the first time.

Details of the acquisitions during the reporting year can be found under »Acquisitions« in these notes to the financial statements.

In addition, the fully consolidated Ausma Motorenrevisie B.V., Roden (Netherlands), was merged with DEUTZ Netherlands B.V., Dordrecht (Netherlands), as at January 1, 2025.

Finally, the DEUTZ Group increased its stake in DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou, Jiangsu (China), to 60% in the third quarter of 2025. This subsidiary had previously been accounted for in the consolidated financial statements using the equity method but was fully consolidated for the first time as at September 1, 2025.

Joint ventures are companies over which control is exercised jointly by DEUTZ and other entities on the basis of a contractual agreement. Associates are entities over whose business and financial policies DEUTZ AG is able to exert a significant influence but are neither subsidiaries nor joint ventures. Associates and joint ventures are both accounted for in the consolidated financial statements using the equity method.

In the year under review, the consolidated financial statements included two foreign joint ventures (2024: two) and one foreign entity in accordance with the rules governing associates (2024: two).

Principles of consolidation

The separate financial statements of the individual entities included in the consolidated financial statements have been prepared using uniform accounting policies in accordance with the regulations on consolidation. The consolidated financial statements comprise the financial statements of DEUTZ AG, of its subsidiaries, and of business combinations in which the acquired set of activities and assets meets the definition of a business. The financial statements are prepared each year for the twelve months ended December 31.

The acquisition method has been used to account for business combinations since January 1, 2010. The consideration transferred for an acquisition (including contingent consideration) and the identifiable assets acquired and liabilities assumed (including contingent liabilities) are measured at fair value as at the date of acquisition, irrespective of the amount of any non-controlling interests. The excess of the cost of acquisition over the value of net assets, after deduction of any non-controlling interests in acquirees, is recognized as goodwill. Negative goodwill is recognized in profit or loss in the period in which the business combination takes place. For each business combination, the Group decides whether to measure the non-controlling interest in the acquiree at fair value (full goodwill method) or at the proportionate fair value of the assets acquired and the liabilities assumed. The option to measure non-controlling interests at fair value is currently not exercised.

Non-controlling interests are thus recognized at their proportionate share of the net assets, disregarding the goodwill.

Acquisition-related costs arising in connection with business combinations are expensed as incurred.

Non-controlling interests are the share of net profit/loss and net assets not attributable to DEUTZ AG shareholders. The non-controlling interests reported as at December 31, 2025 relate to the 40% share in DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou, Jiangsu (China), that is attributable to SINOCHAIN Environment Protection Co., Ltd., Shanghai (China) and to the 49% share in HJS Emission Technology SA (PTY) LTD, Rustenburg (South Africa), that is attributable to Robberts Holdings (Pty) Ltd., Johannesburg (South Africa).

Income and expenses, receivables and payables, and intercompany profits and losses generated between the consolidated entities are eliminated unless they are immaterial.

Joint ventures and associates

Investments in joint ventures and associates are accounted for using the equity method. Under the equity method, investments in an associate or joint venture are recognized on the balance sheet at cost plus any changes in the DEUTZ Group's share of the entity's net assets that have occurred since the acquisition. The goodwill related to the associate or joint venture is included in the carrying amount of the investment and is not amortized. The income statement includes the DEUTZ Group's share of the profit or loss generated by the associate or joint venture. Unless they are immaterial, gains and losses on transactions between the Group and its associates or joint ventures are eliminated. Changes recognized directly in the equity of the associate or joint venture are recognized by the DEUTZ Group in the amount of its investment and, as such, are appropriately presented in the statement of changes in equity. With one exception, the financial statements of the associates and the joint venture are prepared to the same balance sheet date as the financial statements for the parent. Interim financial statements have not been prepared for reasons of materiality. Where required, figures are adjusted in line with the uniform accounting policies throughout the DEUTZ Group.

Acquisitions

HJS Group

With effect from January 6, 2025, DEUTZ Verwaltungs GmbH acquired a limited partnership share of 50% in the HJS Group, an exhaust aftertreatment specialist. At the same time, DEUTZ Beteiligungs GmbH invested in the company as a general

partner. The general partner is not obliged to make a capital contribution, does not participate in the company's fixed capital or its profit or loss, and does not have any voting rights at the company's shareholders' meeting.

The HJS Group comprises HJS Emission Technology GmbH & Co. KG, Menden, as the parent, which in turn holds all of the shares and voting rights in HJS Emission Technology Ltd. (UK), Swindon (UK), 99.9% of the shares and voting rights in HJS Emission Technology India Pvt. Ltd, Haryana (India), and 51% of the shares and voting rights in HJS Emission Technology SA (PTY) LTD, Rustenburg (South Africa).

Although the DEUTZ Group holds 50% of the shares and thus less than the majority of the voting rights, it controls HJS Emission Technology owing to existing rights that give it the ability to direct the relevant activities that significantly affect the investee's returns. The company has an advisory board consisting of four members. Each member has one vote. DEUTZ is represented by two advisory board members, one of whom is the chairperson. All resolutions are adopted by a simple majority. In the event of a tied vote, the chairperson of the advisory board (and thus DEUTZ) has the casting vote. It has been agreed and decided that the advisory board will adopt resolutions on the relevant activities that influence the company's business and financial policies. According to senior management's provisional assessment, the company is therefore controlled by DEUTZ.

By acquiring these shares, DEUTZ is strengthening its technological and production-related expertise in making internal combustion engines cleaner and more efficient. DEUTZ plans to source the bulk of the exhaust aftertreatment components and systems for selected engine series from HJS Emission Technology and thus from within the DEUTZ Group itself.

The acquisition of the HJS Group impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	20.2
Customer relationships	1.2
Other intangible assets	0.6
Non-current assets	22.0
Inventories	12.7
Trade receivables	2.6
Other receivables and assets	2.4
Cash and cash equivalents	3.7
Current Assets	21.4
Total assets	43.4
Other provisions	5.2
Non-current liabilities	5.2
Trade payables	6.0
Financial Liabilities	9.2
Other liabilities	5.4
Deferred tax liabilities	3.6
Current liabilities	24.2
Total liabilities	29.4
Net assets acquired	14.0
thereof attributable to the DEUTZ Group	14.0
Consideration transferred	3.3
Badwill of the DEUTZ Group	-10.7

Under IFRS, the equity of a limited partnership fails to qualify as equity. Instead of recognizing non-controlling interests in equity, a limited partnership is fully consolidated as if it had been acquired. For the HJS Group, a notional liability of €2.5 million for non-controlling interests in the limited partnership was recognized under other liabilities.

The remeasurement of the assets and liabilities has been completed and the purchase price allocation gave rise to a bargain purchase gain (negative goodwill), which was taken to income. This negative goodwill is primarily attributable to the remeasurement of the acquired land. Measurement was carried out by an independent expert. The HJS Group was undergoing restructuring ahead of the transaction and, in its capacity as a supplier, was already part of DEUTZ AG's value creation process. These circumstances were key for the outcome of the transaction.

The consideration transferred amounted to €3.3 million and was paid in cash in full to HJS Emission Technology GmbH & Co. KG. Payment of the purchase price did not give rise to an outflow of funds in the cash flow statement. After deduction of the cash acquired, a net cash inflow of €0.4 million was

recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

As part of the transaction, DEUTZ Verwaltungs GmbH also acquired an option to acquire further shares. This option was allocated a value of €0.1 million, which reduced the amount of the consideration accordingly.

The net amount of the acquired trade receivables came to €2.6 million. There were no uncollectible receivables as at the acquisition date.

The business combination caused consolidated revenue to rise by €50.2 million and net income to decline by €0.8 million for the period January 6 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, consolidated revenue and net income would not have been materially different.

UMS Group

As at June 2, 2025, Futavis GmbH (a wholly owned subsidiary of DEUTZ AG) acquired all the shares in UMS Group, a specialist in the electrification of off-highway vehicles. DEUTZ is stepping up its innovative strength in its expanding DEUTZ New Technology segment.

The UMS Group comprises UMS Holding B.V., Oss (Netherlands) and Urban Mobility Systems B.V., Oss (Netherlands). Through its subsidiary, DEUTZ AG holds all of the shares in UMS Holding B.V., which, in turn, holds all of the shares in Urban Mobility Systems B.V. DEUTZ AG therefore controls both companies.

The acquisition of the UMS Group impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.7
Non-current assets	0.7
Inventories	6.1
Trade receivables	-0.7
Other receivables and assets	2.7
Current Assets	8.1
Total assets	8.8
Other provisions	0.2
Non-current liabilities	0.2
Trade payables	2.4
Financial Liabilities	2.9
Other liabilities	12.5
Current liabilities	17.8
Total liabilities	18.0
Net assets acquired	-9.2
thereof attributable to the DEUTZ Group	-9.2
Consideration - cash payment	9.5
Purchase price retention	5.0
Consideration transferred	14.5
Goodwill of the DEUTZ Group	23.7

The goodwill resulting from the acquisition is derived from the strengthening of DEUTZ AG's business with electric drive systems. By acquiring UMS, DEUTZ can target new customer groups in the transportation and logistics sector and significantly accelerate research and development in relation to alternative drives. This is because UMS's electrification kits make it easy to integrate alternative drives into the existing engine space without having to spend considerable time and money on redesigning the machines. As a result, they can be installed in new machines on existing assembly lines or directly retrofitted.

As at the balance sheet date, the purchase price allocation in line with the rules of IFRS 3 »Business Combinations« had not yet been finalized as more time is needed to measure the assets acquired. The provisional goodwill calculated has been assigned to the New Tech segment for now, which also constitutes the relevant cash-generating units.

The consideration transferred amounted to €14.5 million in several cash payments. The first tranche of €8.5 million was paid on the acquisition date and a further tranche of €1.0 million was paid within one month. The third tranche of €5.0 million is outstanding and falls due 12 months after the date of the acquisition. There is no contingent consideration.

The net amount of the acquired trade receivables came to €0.5 million. A liability to Futavis GmbH of €1.2 million was deducted when determining the contribution to the Group's trade receivables. At the date of acquisition, there were no uncollectible receivables.

The business combination caused consolidated revenue to rise by €5.6 million and net income to decline by €1.5 million for the period June 2 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €9.9 million and net income for the full year would have declined by €2.5 million. Senior management's calculation of these amounts assumed that the provisionally calculated adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €9.5 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

DEUTZ Power Solution (Xuzhou) Co., Ltd.

As at August 31, 2025, DEUTZ China Verwaltungs GmbH acquired a further 40% of DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China). As at October 31, 2025, DEUTZ China Verwaltungs GmbH sold 20% of DEUTZ Power Solution (Xuzhou) Co., Ltd. to SINOCHAIN Environment Protection Co., Ltd. Following these transactions, DEUTZ China Verwaltungs GmbH holds 60% and SINOCHAIN Environment Protection Co., Ltd. holds 40% of DEUTZ Power Solution (Xuzhou) Co., Ltd., a manufacturer of gensets in China. The company has been fully consolidated since September 1, 2025.

The inclusion of the shares in DEUTZ Power Solution (Xuzhou) Co., Ltd. in the consolidated financial statements impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.4
Non-current assets	0.4
Inventories	4.0
Trade receivables	2.3
Other receivables and assets	0.6
Cash and cash equivalents	1.2
Current Assets	8.1
Total assets	8.5
Other provisions	0.1
Non-current liabilities	0.1
Trade payables	2.6
Financial Liabilities	0.3
Other liabilities	-1.7
Deferred tax liabilities	0.0
Current liabilities	1.2
Total liabilities	1.3
Net assets acquired	7.2
thereof attributable to the DEUTZ Group	4.3
thereof attributable to minorities	2.9
Consideration transferred	4.1
Badwill of the DEUTZ Group	-0.2

The consideration transferred amounted to €4.1 million and comprised a cash payment of €1.8 million for the company shares, deconsolidation of the existing shares of €2.9 million accounted for using the equity method, and assumption of an obligation to pay in capital for unpaid contributions of €0.9 million. The outstanding purchase price payment receivable from SINOCHAIN Environment Protection Co., Ltd. of €1.5 million was deducted from the consideration. The receivable was settled in January 2026. The negative goodwill of €0.2 million is mainly due to recycled currency translation differences.

The net amount of the acquired trade receivables came to €2.3 million. At the date of acquisition, there were no uncollectible receivables.

The Group's other liabilities decreased as a result of the consolidation of the receivables of DEUTZ Power Solution (Xuzhou) Co., Ltd. from DEUTZ China Verwaltungs GmbH in relation to called unpaid contributions of €1.8 million.

The business combination caused consolidated revenue to rise by €7.8 million and net income after non-controlling interests to rise by €0.4 million for the period August 31 to

December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €19.0 million and net income for the full year by €0.9 million. Senior management's calculation of these amounts assumed that the calculated adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €0.6 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

SOBEK Group

As at September 2, 2025, DEUTZ AG acquired the SOBEK Group, Hirschberg. The company is a leading manufacturer of high-precision electric drives for high-tech applications, including drones. In line with its Dual+ strategy, this represents another step for DEUTZ in its transition from component manufacturer to system provider.

The group encompasses three legal entities: SOBEK Group GmbH, Hirschberg, SOBEK Drives GmbH, Rottenburg, and SOBEK Motorsport GmbH, Hirschberg. Deutz-Mülheim Grundstücksgesellschaft mbH acquired the real estate used by the SOBEK Group. DEUTZ AG holds all of the shares in SOBEK Group GmbH, which in turn holds all of the shares in SOBEK Drives GmbH and SOBEK Motorsport GmbH. DEUTZ AG therefore controls both companies.

The acquisition of the SOBEK Group impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	8.0
Non-current assets	8.0
Inventories	1.3
Trade receivables	2.5
Other receivables and assets	1.1
Cash and cash equivalents	5.9
Current Assets	10.8
Total assets	18.8
Other provisions	0.4
Non-current liabilities	0.4
Trade payables	0.3
Financial Liabilities	1.6
Other liabilities	3.5
Current liabilities	5.4
Total liabilities	5.8
Net assets acquired	13.0
thereof attributable to the DEUTZ Group	13.0
Consideration - cash payment	124.9
Consideration - land and buildings	7.3
Consideration transferred	132.2
Goodwill of the DEUTZ Group	119.2

The goodwill resulting from the acquisition is derived from the strengthening of DEUTZ AG's business with electric drive systems consisting of motors and control elements. Together with SOBEK, we are proactively positioning ourselves as a relevant systems engineering partner for electric drive systems for drones in a young and rapidly growing market, and we aim to further expand the established business in motor sports and healthcare technology. As at the balance sheet date, the purchase price allocation in line with the rules of IFRS »Business Combinations« had not yet been finalized as more time is needed to measure the assets acquired. The goodwill calculated on a provisional basis has been assigned to the Engines & Services segment for now. SOBEK's business forms the core of the new Defense business unit and will therefore be part of the Defense & Other segment from the start of 2026. This new segment also constitutes the relevant cash-generating units.

The consideration transferred amounts to €132.2 million and comprises a cash payment of €124.9 million for the shares and a cash payment of 7.3 million for land and buildings.

The net amount of the acquired trade receivables came to €2.5 million. At the date of acquisition, there were no uncollectible receivables.

The business combination caused consolidated revenue to rise by €6.0 million and net income by €1.9 million for the period September 2 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €19.2 million and net income for the full year by €6.9 million. Senior management's calculation of these amounts assumed that the provisionally calculated adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €126.3 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi

As at October 2, 2025, DEUTZ AG acquired all of the shares in Çatalkaya Makina Sanayi ve Ticaret Limited Şirketi, Istanbul (Turkey), thereby expanding DEUTZ's proprietary service and sales network in Turkey. The company was subsequently renamed DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi. DEUTZ AG holds all of the shares in this company and has control.

The acquisition of DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.3
Other intangible assets	0.9
Non-current assets	1.2
Inventories	0.4
Trade receivables	0.2
Other receivables and assets	0.1
Cash and cash equivalents	0.1
Current Assets	0.8
Total assets	2.0
Trade payables	-1.4
Financial Liabilities	1.3
Other liabilities	0.8
Current liabilities	0.7
Total liabilities	0.7
Net assets acquired	1.4
thereof attributable to the DEUTZ Group	1.4
Consideration transferred (cash payment)	4.4
Goodwill of the DEUTZ Group	3.0

The goodwill resulting from the acquisition is derived from the strengthening of DEUTZ AG's service business. As at the balance sheet date, the purchase price allocation in line with the rules of IFRS »Business Combinations« had not yet been finalized as more time is needed to measure the assets acquired. The goodwill calculated on a provisional basis has initially been assigned to the DEUTZ Engines & Services segment. In line with its operations, the business will be assigned to the new Engines and Services business from 2026, which also constitute the relevant cash-generating units.

The consideration transferred amounted to €4.4 million and was paid in cash.

The net amount of the acquired trade receivables came to €0.2 million. There were no uncollectible receivables as at the acquisition date.

The business combination caused consolidated revenue to rise by €0.4 million and net income by €0.1 million for the period October 2 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €6.3 million and net income for the full year by €0.8 million. Senior management's calculation of these amounts assumed that the provisionally calculated

adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €4.3 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

The Onsite Diesel business

As at October 2, 2025, DEUTZ Corporation acquired the business of Onsite Diesel, Willis, Texas (USA). DEUTZ Corporation is an indirectly wholly owned subsidiary of DEUTZ AG.

The acquisition of the business impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.2
Non-current assets	0.2
Inventories	0.1
Trade receivables	0.7
Current Assets	0.8
Total assets	1.0
Total liabilities	0.0
Net assets acquired	1.0
thereof attributable to the DEUTZ Group	1.0
Consideration - cash payment	3.3
Purchase price retention	0.3
Consideration transferred	3.6
Goodwill of the DEUTZ Group	2.6

The goodwill resulting from the acquisition is derived from the strengthening of DEUTZ AG's service business. As at the balance sheet date, the purchase price allocation in line with the rules of IFRS »Business Combinations« had not yet been finalized as more time is needed to measure the assets acquired. The goodwill calculated on a provisional basis has been assigned to the Engines & Services segment for now. The business will be part of the Services segment from the start of 2026, which also constitutes the relevant cash-generating units.

The consideration transferred amounts to €3.6 million and comprises a cash payment of €3.3 million and contingent consideration of €0.3 million. The Group is obliged to make annual additional payments to the seller equivalent to around 10% of EBITDA for the financial years 2026 to 2028. The payments are capped at US\$ 500 million. The Group recognized €0.3 million as contingent consideration in connection with the additional payments; this sum equates to their fair value as at the date of acquisition.

The net amount of the acquired trade receivables came to €0.7 million. There were no uncollectible receivables as at the acquisition date.

The business combination caused consolidated revenue to rise by €1.3 million and net income by €0.1 million for the period October 2 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €5.3 million and net income for the full year by €0.3 million. Senior management's calculation of these amounts assumed that the provisionally calculated adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €3.3 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

Double Down Heavy Repair LLC

As at November 3, 2025, DEUTZ Corporation acquired Double Down Heavy Repair LLC, Elko, Nevada (USA), a leading service provider in mining, railways, and construction equipment in the mining regions in western USA.

Through its subsidiary, DEUTZ AG holds all of the shares in this company and has control.

The acquisition of Double Down Heavy Repair LLC impacted on the DEUTZ Group's net assets as follows:

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.8
Non-current assets	0.8
Trade receivables	0.8
Other receivables and assets	0.1
Cash and cash equivalents	0.3
Current Assets	1.2
Total assets	2.0
Other liabilities	0.1
Current liabilities	0.1
Total liabilities	0.1
Net assets acquired	1.9
thereof attributable to the DEUTZ Group	1.9
Consideration transferred (cash payment)	19.4
Goodwill of the DEUTZ Group	17.5

The goodwill resulting from the acquisition is derived from the strengthening of DEUTZ's service network and offers major potential for growth over the next few years. The acquisition opens up the opportunity for DEUTZ – besides the existing construction sector focus – to enter further attractive new segments related to the servicing of complete items of machinery, including mining equipment, trucks, and rail vehicles. As at the balance sheet date, the purchase price allocation in line with the rules of IFRS »Business Combinations« had not yet been finalized as more time is needed to measure the assets acquired. The goodwill calculated on a provisional basis was initially allocated to the Engines & Services segment. In line with the nature of the business, it will be reflected in the new Services segment from the start of 2026, which will also constitute the relevant cash-generating units.

The consideration transferred amounted to €19.4 million and was paid fully in cash.

The net amount of the acquired trade receivables came to €0.8 million. There were no uncollectible receivables as at the acquisition date.

The business combination caused consolidated revenue to rise by €2.0 million and net income by €0.6 million for the period November 3 to December 31, 2025. If the acquisition of the company had taken place with effect from January 1, 2025, it is estimated that consolidated revenue for the full year would have risen by €8.3 million and net income for the full year by €0.8 million. Senior management's calculation of these amounts assumed that the provisionally calculated

adjustments of the fair values carried out at the acquisition date would have also been valid if the acquisition had taken place on January 1, 2025.

A net cash outflow (after deduction of the cash acquired) of €19.1 million has been recognized for the acquisition of the company in the »Expenditure on acquisition of subsidiaries / business operations« line item in the cash flow statement.

Frerk Aggregatebau GmbH

With commercial effect from February 3, 2026, DEUTZ Power Solutions GmbH, Cologne (a wholly owned subsidiary of DEUTZ AG) acquired 100% of the shares in Frerk Aggregatebau GmbH, Schweringen (Frerk), a family-run company. The company, which has seven sites in Germany and is headquartered in Lower Saxony, is a leading European provider of sophisticated emergency power systems that are primarily used in critical infrastructure such as data centers. This market is particularly benefiting from the rapid expansion of AI applications and the increasing use of digital technologies.

Following the successful entry into the US market, our acquisition of Frerk will establish DEUTZ as a global provider of emergency power systems with a particular focus on data centers, which are receiving a boost from the boom in AI. We are thus continuing to forge ahead with our strategy of putting DEUTZ on a broader footing and making it less dependent on the cyclical internal combustion engine business. In doing so, we are maintaining a clear focus on fast-growing markets in which we can deploy our strengths and expertise.

Frerk is a systems integrator for diesel and gas emergency power systems at the cutting-edge of technology and is particularly well established in the demanding data center segment, which accounts for around 50 percent of its revenue. In addition to electricity generators, the company supplies turnkey systems that ensure an uninterrupted power supply in the event of an outage, enabling it to meet the high standards that operators of data centers, hospitals and other critical infrastructure expect of emergency power systems.

As the initial recognition of the business combination had not been completed by the time that the financial statements were approved for publication, no disclosures on the measurement of the net assets acquired and on the influence of the acquisition on the Group's net assets can be made.

The provisional purchase price amounts to up to €95 million and comprises a cash payment of €85.0 million and contingent consideration (earn-out) of up to €5.0 million in 2026 and in 2027.

Acquisitions in previous years

DEUTZ Polska Sp.z.o.o.

DEUTZ acquired all of the shares in Biuro Techniczno-Handlowe FAST Sp.z.o.o. with effect from November 2024. This Polish DEUTZ dealer was founded in 1990. The company has since been renamed DEUTZ Polska Sp.z.o.o.

Measurement of the net assets acquired was completed in 2025. Based on the purchase price allocation, the acquisition impacted on the DEUTZ Group's net assets as follows.

€ million	Fair values as at the acquisition date
Property, plant and equipment	0.3
Customer relationships	5.0
Non-current assets	5.3
Inventories	0.6
Trade receivables	1.1
Current Assets	1.7
Total assets	7.0
Provisions for pensions and other post-retirement benefits	0.1
Non-current liabilities	0.1
Trade payables	0.6
Other current liabilities	0.7
Deferred tax liabilities	0.9
Current liabilities	2.2
Total liabilities	2.3
Net assets acquired	4.7
thereof attributable to the DEUTZ Group	4.7
Consideration transferred (cash payment)	6.2
Goodwill of the DEUTZ Group	1.5

As part of the purchase price allocation carried out, unrecognized intangible assets (long-term customer relationships) and deferred taxes were identified and the relevant line items on the balance sheet were adjusted. The adjustments caused goodwill to decrease by €4.1 million, down from €5.6 million. The goodwill calculated has been assigned to the Engines & Services segment, which also constitutes the relevant cash-generating units.

The purchase consideration amounted to €6.2 million and was unchanged. It was transferred in cash.

The net amount of the acquired trade receivables remained unchanged at €1.1 million. At the date of acquisition, there were no uncollectible receivables.

The adjustments had no impact on the cash flow statement.

Currency translation

The items in the financial statements of each individual entity in the DEUTZ Group are measured in the currency that corresponds to the currency of the primary economic environment in which the entity operates (functional currency). Foreign-currency transactions are translated at the exchange rates prevailing at the time of the transaction. On the balance sheet date, monetary items are translated at the exchange rate as at the balance sheet date, while non-monetary items are translated at the exchange rate on the date of the transaction. All currency translation differences are recognized in profit or loss. Contrary to this principle, currency translation differences relating to the following items are recognized in other comprehensive income: qualified cash flow hedges (provided they are effective) and equity instruments that are subsumed under the category »financial instruments measured at fair value through other comprehensive income«.

With the exception of equity, balance sheet items in separate financial statements denominated in foreign currency are translated into the functional currency of the DEUTZ Group (euros) at closing rates. Income and expense items – including net income or loss – are translated at the average rates for the year. Equity – with the exception of net income or loss – is translated at the prevailing historical closing rates.

Differences arising from the translation of equity at historical rates and the translation of net income or loss at average rates for the year are reported in other comprehensive income in a separate component of equity.

The registered office of the investment in DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi, which was acquired in 2025, is in Istanbul (Turkey). Turkey is considered a hyperinflationary economy. This entity's functional currency is the euro and consequently the entity does not fall under the scope of IAS 29 »Financial Reporting in Hyperinflationary Economies«. The financial statements of this subsidiary were therefore not restated in accordance with IAS 29.

The main exchange rates used for currency translation purposes are shown in the following table (€1 translated into foreign currencies):

		Average rates		Closing rates at Dec. 31	
		2025	2024	2025	2024
USA	USD	1.13	1.08	1.18	1.04
China	CNY	8.11	7.77	8.23	7.58
Marocco	MAD	10.55	10.77	10.71	10.51
Australia	AUD	1.75	1.64	1.76	1.68
UK	GBP	0.86	0.85	0.87	0.83

Accounting policies

The material accounting policies used to prepare these consolidated financial statements are described below:

Revenue recognition

Revenue generated by the sale of engines, electric drive systems, energy and power generation systems, and services comprises the transaction price received excluding VAT, discounts, and price reductions.

Revenue and other income are recognized as follows:

Revenue from the sale of engines, electric drive systems, and energy and power generation systems is recognized once a DEUTZ Group entity has delivered to a customer and control has passed to the customer. Estimates of future price reductions are covered by provisions and deducted from revenue.

Revenue generated by services Revenue generated by services mainly relates to the sale of remanufactured engines (Xchange business) as well as spare parts and is recognized at the time that control passes to the customer. Revenue from maintenance work is recognized using an input method over the period of time in which the services are rendered. The hourly-based input method used presents a faithful picture of the transfer of services to customers because the hours worked reflect the stage of completion of the performance obligation at hand.

Interest income, dividends, and other income Interest income is recognized pro rata using the effective interest method. Dividend income is recognized at the time the right to receive the payment arises. Other income is recognized according to contractual agreements on the transfer of risks and rewards.

Borrowing costs

Borrowing costs that can be directly attributed to the construction or manufacture of an asset for which a substantial period is required to bring the asset to its intended usable condition are capitalized as part of the costs of the relevant asset. All the other borrowing costs are expensed as incurred. Borrowing costs are the interest and other costs incurred by a company in connection with borrowing funds.

Property, plant and equipment

Property, plant and equipment is recognized at cost and, if depreciable, less any depreciation on a straight-line basis and any additional impairment losses. Cost comprises the purchase price and any directly attributable costs incurred to bring the asset to the required location and working condition.

The costs of conversion of property, plant and equipment constructed internally comprise directly attributable costs, pro rata material and production overheads, and administrative expenses related to production or delivery of the service.

Subsequent costs are added to the carrying amount of the asset concerned as incurred, provided that the recognition criteria are satisfied. Repair and maintenance costs are expensed as incurred.

The depreciation period is based on the expected useful life of the asset. Land is not depreciated.

Straight-line depreciation is based on the following useful lives for the main asset categories:

	Unit life (years)
Buildings and grounds	15–33
Technical equipment and machines	10–15
Other equipment, furniture, and fixtures	3–10

Residual carrying amounts, useful lives, and depreciation methods are reviewed at the end of each year and adjusted where appropriate.

An item of property, plant or equipment is derecognized either on disposal or if no further economic benefit is expected from further use or sale of the asset. Gains or losses arising from the derecognition of the asset are calculated as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement in the period in which the asset is derecognized.

Leases

At the inception of a contract, an assessment is made about whether the contract is or contains a lease. This is deemed the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The lessee recognizes a right-of-use asset and a lease liability at the time the underlying asset becomes available for use.

A right-of-use asset is measured at its cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. The cost comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred, any costs for restoring the underlying asset to its original condition or for restoring the site or similar, and any lease payments made when or before the asset was made available, less any lease incentives received. Depreciation is recognized on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. If ownership of the asset is transferred to the lessee, the right-of-use asset is depreciated until the end of the useful life of the underlying asset. Right-of-use assets are also tested for impairment.

A lease liability is measured at the present value of the lease payments still to be made. These payments are discounted at the lessee's incremental borrowing rate, because the interest rate implicit in the lease cannot be readily determined. The lease payments comprise fixed payments less any lease incentives received, variable lease payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the exercising of that option is reasonably certain, and payments of penalties in the event that an option to terminate the lease is exercised. Extension options and purchase options, the exercising of which is reasonably certain, are taken into account when determining lease terms. Upon subsequent measurement, the lease liability's carrying amount is increased by the interest expense and reduced by the lease payments made. The lease liability is remeasured if there is a change in the lease term, a change in the assessment of an option to purchase the underlying asset, or a change in the lease payments.

A practical expedient is applied to short-term leases with a term of no more than twelve months and to low-value leased assets (less than €5,000). The lease payments under these leases are recognized as an expense on a straight-line basis over the term of the lease.

Intangible assets

Goodwill

Goodwill is the difference between the cost of an acquisition and the fair value of the net assets acquired less any non-controlling interests. As goodwill has an indefinite useful life, it is not amortized. However, it must be tested for impairment at least once a year in accordance with the provisions of IAS 36. It must also be tested for impairment on an ad hoc basis if there are any indications of impairment. Goodwill is tested for impairment at the level of the cash-generating units (CGUs). A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or other CGUs. Goodwill has to be allocated at the lowest level within the entity that is monitored for goodwill for internal management purposes. The CGUs defined in this way must not be bigger than an operating segment.

In an impairment test, the carrying amount of the goodwill is compared with the recoverable amount (higher of the fair value less costs to sell and the value in use) of the CGU in question. The recoverable amount of a CGU is calculated by determining the fair value less costs to sell according to the discounted cash flow (DCF) method. Fair value less costs to sell is calculated by discounting estimated future cash flows to their present value. The calculation uses a discount rate that reflects current market expectations in respect of the time value of money and the risks inherent in the CGU. The cash flows used in the calculation are derived from operational planning (five-year period) and extrapolated in order to achieve a sustainable level prior to the transition to perpetuity.

For further information, including on the allocation of goodwill to the Group's operating segments, see Note 13.

Miscellaneous intangible assets

Miscellaneous intangible assets are measured at cost. The cost of purchase or conversion includes directly attributable costs. The cost of conversion also includes a proportion of overheads and borrowing costs for long-term projects provided the recognition criteria are met. In subsequent periods, intangible assets are reported at cost less amortization on a straight-line basis and any additional impairment losses. Investment grants from customers are deducted from cost. The useful lives of both purchased and internally generated intangible assets are limited. Amortization relating to internally generated intangible assets is reported under the cost of sales in the income statement. Amortization relating to other intangible assets is split across all functional areas in the income statement.

The following principles are applied:

Internally generated intangible assets The accounting treatment of internally generated intangible assets is based on an implemented development process with defined milestones. During this process, the development expenditure for the products is capitalized provided that

- they are technically and commercially feasible;
- a future economic benefit is likely;
- there is the intention to complete their development and sufficient resources are available to do so; and
- the costs of development can be reliably determined.

The review of whether these criteria are met takes place in connection with the achievement of defined milestones in the development process. Development projects at DEUTZ relate almost exclusively to the development of new engine series. The fact that these development projects are technically feasible and will actually be completed is borne out by a multitude of evidence from the past. The development expenditure incurred up to this point, and the research costs, are recognized in the income statement in the period in which they are incurred. Amortization begins when the asset is available for use, which is usually at the start of production. As a rule, completed development projects are amortized on a straight-line basis over the expected production cycle of eight to ten years.

As at December 31, 2025 all material, completed development projects had a remaining useful life of eight years.

The useful lives and amortization methods for completed development projects are reviewed at the end of each year, if not more frequently. If any changes in their useful lives are required, they are treated as changes in accounting estimates.

Property rights, right-of-use assets, customer relationships, brands, and other intangible assets These are measured at amortized cost and amortized on a straight-line basis over their estimated useful life of three to 16 years.

Gains or losses arising from the derecognition of intangible assets are the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement in the period in which the asset is derecognized.

Impairment of non-financial assets

At each balance sheet date, the DEUTZ Group carries out tests to establish whether there are any indications that an asset may be impaired. An impairment test is carried out at least once a year on intangible assets that are not yet available for use.

Impairment is determined by comparing the carrying amount with the recoverable amount. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If future cash inflows cannot be allocated to an individual asset separately from cash flows generated independently by other assets, the impairment test is applied to the cash-generating unit that includes the asset concerned. When impairment tests are conducted, assets are aggregated into cash-generating units at the lowest-possible level at which cash inflows can largely be independently identified.

Value in use is calculated by discounting estimated future cash flows to their present value. The calculation uses a discount rate that reflects current market expectations in respect of the time value of money and the risks inherent in the asset or cash-generating unit. The cash flows used in the calculation are derived and extrapolated from operational planning (five-year period). If the reasons for previously recognized impairment losses no longer exist, these impairment losses are reversed.

In 2025, there were indications of impairment («trigger events») on property, plant and equipment and on intangible assets due to a year-on-year decline in expectations regarding profitability in the detailed planning phase. Subsequent impairment tests identified a need to recognize impairment losses on the affected intangible assets. For further details, see Note 14 in these notes to the consolidated financial statements.

The estimates and assumptions used in the impairment tests are based on projections, which by their nature are subject to uncertainty, particularly with regard to future prices and volumes. Adjustments to the estimates made, for example due to unexpectedly poor economic conditions, could result in an impairment loss, especially in the case of individual engine series.

Government grants

Government grants are recognized when there is sufficient certainty that the associated conditions will be fulfilled and the grants will actually be awarded. The DEUTZ Group deducts government grants relating to purchases of non-current assets from the cost of the respective asset. The amount of depreciation and amortization is based on the cost of purchase after deduction of such grants.

Taxes

Deferred taxes Deferred taxes are recognized using the liability method for temporary differences between the carrying amount of an asset or a liability on the consolidated balance sheet and its tax base as at the reporting date as well as for tax loss and interest carryforwards.

Deferred tax assets are recognized to the extent that sufficient future taxable income is likely to be generated over the planning period against which the deductible temporary differences and the as yet unused tax loss carryforwards can be offset.

Deferred tax liabilities that arise from temporary differences in connection with investments in subsidiaries, joint ventures, and associates are always recognized unless the timing of the reversal of the temporary differences can be controlled and it is unlikely that the temporary differences will reverse in the foreseeable future.

Deferred taxes relating to items recognized in other comprehensive income are likewise recognized in other comprehensive income and not in the income statement.

Deferred tax assets and liabilities are netted if the DEUTZ Group is entitled to have the current tax assets offset against tax liabilities and if the deferred taxes relate to income taxes levied by the same tax authority.

Deferred taxes are recognized at the rates anticipated on recognition of the asset or liability. The anticipated tax rate is the rate that has already been enacted or announced at the balance sheet date, provided announcement of the tax rate has the substantive effect of actual enactment.

Current taxes Current income taxes for the current period and for previous periods are recognized at the amount that is expected to be paid to (or recovered from) the tax authorities or has already been paid. The tax amount is calculated on the basis of tax rates and tax legislation enacted or substantively enacted as at the relevant balance sheet date.

Minimum taxation The global minimum tax that has to be paid in accordance with national legal requirements for pillar two constitutes an income tax within the scope of IAS 12.

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price achievable in the ordinary course of business less estimated costs still to be incurred.

The cost of raw materials and consumables as well as bought-in and spare parts is calculated using weighted average purchase prices.

Work in progress and finished goods are measured at the cost of conversion, which includes production materials and production wages as well as the pro rata share of overheads for materials and an appropriate proportion of production overheads based on normal production capacity.

Additional write-downs are applied to cover risks resulting from inventories' period of storage and impaired usability as well as contract-related losses.

Financial assets

In the DEUTZ Group, financial assets within the meaning of IFRS 9 can be in any of the following categories and are classified accordingly:

1. Financial assets measured at fair value through profit or loss
2. Financial assets measured at fair value through other comprehensive income, or
3. Financial assets measured at amortized cost

On initial recognition, financial assets are measured at fair value. In the case of financial assets other than those measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of the assets are also included.

Financial assets are assigned to one of the measurement categories on initial recognition. Assets may be reclassified if this is permitted and necessary.

Except in the case of held-for-trading financial assets, all regular way purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by DEUTZ. Held-for-trading financial assets are recognized on the trade date, i.e. the date on which the DEUTZ Group enters into the obligation to buy or sell the asset. Regular way purchases and sales are purchases or sales of financial assets that provide for the delivery of the asset within a period determined by market regulations or conventions.

1. Financial assets measured at fair value through profit or loss

In the DEUTZ Group, the group of financial assets measured at fair value through profit or loss includes held-for-trading financial assets. Equity instruments purchased for the purposes of trading and trade receivables earmarked for factoring are also allocated to this category.

Derivatives, including separately recognized embedded derivatives, are classified as held for trading unless they are derivatives designated as hedging instruments and are deemed effective. Gains and losses on financial assets held for trading are recognized in the income statement. At the time the DEUTZ Group first becomes a party to a contract, it determines whether an embedded derivative needs to be accounted for separately from the host contract. This decision is only reassessed if there is a substantial amendment to the terms of the contract and this amendment results in a significant change to the cash flows that would otherwise have been derived from the contract.

2. Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income include debt instruments that are held either for sale or in order to collect the contractual cash flows. The contractual cash flows must consist solely of principal repayments and interest payments and accrue at specified intervals. At the time of derecognition, the changes in fair value recognized in other comprehensive income must be reclassified to the income statement. Non-current securities that do not constitute equity instruments are allocated to this category in the DEUTZ Group.

Equity instruments can also be subsumed under this category provided that they have not been purchased for trading purposes. In this instance, however, the changes in fair value recognized in other comprehensive income do not need to be reclassified to the income statement at the time of derecognition. The DEUTZ Group holds a €7.5 million investment in Blue World Technologies Holding ApS, Aalborg (Denmark). This equates to a 2.78% stake. The investment constitutes an equity instrument that was not acquired for trading purposes and DEUTZ elected to assign it to this category.

3. Financial assets measured at amortized cost This group includes financial assets that are held for the purposes of collecting contractual cash flows. The contractual cash flows must consist solely of principal repayments and interest payments on outstanding repayment amounts. In the DEUTZ Group, this category covers all receivables and financial assets that are not intended for disposal. The assets are measured using the effective interest method less any impairment losses. A gain or loss is recognized in profit or loss when these financial instruments are derecognized or written down, and through the amortization process.

Impairment of financial assets

For all financial debt instruments, with the exception of financial assets measured at fair value through profit or loss, a loss allowance is recognized on the date the asset is initially recognized that is equivalent to the expected loss from default events over the next twelve months. At every subsequent balance sheet date, the financial assets are subject to an impairment test to establish whether there are any indications of impairment (for example, substantial financial difficulties on the part of the debtor, significant probability of insolvency proceedings against the debtor, the disappearance of an active market for the financial asset, significant changes in the technological, economic, legal, and/or market environment in which the issuer operates, a sustained fall in the fair value of the financial asset below amortized cost). In the event of a significant increase in credit risk, the loss allowance is adjusted to reflect the losses expected over the term to maturity or a write-down is recognized in the event of default of the financial asset if there are objective indications of impairment.

1. Financial assets measured at amortized cost Expected credit losses reflect the difference between the contractually agreed cash flows and those that are actually anticipated. They are recognized in the income statement as an impairment loss in a valuation allowance account. However, the gross carrying amount continues to be used to determine the interest income. If there are objective indications that financial assets measured at amortized cost are permanently impaired, the loss allowance is offset against the gross carrying amount of the financial asset. Following this partial write-down, the amortized cost is used to determine the interest income.

The loss allowance for trade receivables is calculated immediately over the entire term of the financial instrument. The allowance for other receivables and assets that are subject to low credit risk is recognized upon initial recognition of the asset for a period covering the subsequent twelve months.

If the amount of this impairment loss is found to be lower in subsequent reporting periods, the previously recognized impairment loss is reversed. However, the new carrying amount of the asset must not exceed what the amortized cost would have been at the time the impairment loss is reversed if the impairment loss had not been recognized. The reversal of the impairment loss is recognized in the income statement.

2. Financial assets measured at fair value through other comprehensive income The impairment of debt instruments measured at fair value through other comprehensive income is recognized in profit or loss for the period and reduces the loss resulting from measurement at fair value that would otherwise be recognized in other comprehensive income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, short-term deposits with an original term of up to three months, and credit balances held with banks.

Financial liabilities

In the DEUTZ Group, financial liabilities within the meaning of IFRS 9 can be in either of the following categories and are classified accordingly:

1. Financial liabilities measured at fair value through profit or loss, or
2. Other financial liabilities

1. Financial liabilities measured at fair value through profit or loss In the DEUTZ Group, the group of financial liabilities measured at fair value through profit or loss includes held-for-trading financial liabilities. To date, the DEUTZ Group has not made use of the option to designate financial liabilities as at fair value through profit or loss on initial recognition.

Derivatives, including separately recognized embedded derivatives, are classified as held for trading unless they are derivatives designated as hedging instruments and determined to be effective. If the fair value of these derivatives is negative, they are recognized under financial liabilities. Gains and losses on financial liabilities held for trading are recognized in the income statement.

2. Other financial liabilities in the DEUTZ Group for the most part comprise the following:

- Financial debt (liabilities to banks)
- Trade payables, and
- Other liabilities

Other financial liabilities are classified as current unless the DEUTZ Group does not have the right to settle the liability until at least twelve months after the balance sheet date.

Other financial liabilities are initially recognized at their fair value including transaction costs. They are subsequently measured at amortized cost using the effective interest method.

Derivative financial instruments and hedges

DEUTZ only uses derivative financial instruments (interest-rate and currency derivatives) for hedging purposes as part of its business operations, in particular to reduce foreign currency risk in forecast transactions involving foreign currencies and to reduce interest-rate risk through the use of interest-rate swaps.

Derivatives are initially recognized at their fair value on the day they are entered into and are subsequently measured at the fair value prevailing at the time. The fair value of derivatives corresponds to the present value of estimated future cash flows. The fair value of currency forwards is based on the forward exchange rate as at the balance sheet date.

Changes in the fair value of non-hedging derivatives are immediately recognized in the income statement.

Cash flow hedges Forecast transactions (cash flows) in foreign currency and interest-rate risk are hedged using cash flow hedges. The effective portion of the changes in the fair value of derivatives designated as cash flow hedges is recognized in other comprehensive income. The ineffective portion of the changes in fair value is reported in the income statement under other income or other expenses.

The changes in fair value reported in the reserve for cash flow hedges are reclassified to the income statement in the period in which the hedged item is recognized in income.

The fair values of derivatives designated as hedging instruments are stated in Note 26. Changes in the cash flow hedge reserve are reported under a separate item in other comprehensive income (fair value reserve).

Provisions for pensions and other post-retirement benefits

The occupational pension scheme offered by the DEUTZ Group takes account of the relevant legislation in various countries and the benefits that each company provides for its staff.

Occupational pensions take the form of defined benefit pension plans, which are funded by the recognition of pension provisions. Besides entitlements to an employer-funded pension, employees in Germany can build up an employee-funded pension by participating in a deferred compensation plan. In the UK (branch of DEUTZ AG), there is an employer-funded pension plan and the option of building up an employee-funded pension by participating in a deferred compensation plan. There are also employer-funded pension plans at Deutz Corporation, Atlanta (USA), at DEUTZ FRANCE S.A.S., Gennevilliers (France), and at DEUTZ Italy S.r.l., Milan (Italy).

The Group's liabilities arising from employer-funded defined benefit pension plans are calculated separately for each plan using actuarial principles. First, the pension benefits vested in earlier periods and in the current period are estimated. The next step is to discount these benefits using the projected unit credit method. The resulting present value represents the defined benefit obligation. The fair value of the plan asset is then deducted from the defined benefit obligation to determine the net liability to be reported on the balance sheet.

The interest rate used to discount the estimated pension benefits is determined using the yields available in the market on each valuation date for investment-grade, fixed-income corporate paper. The currency and terms to maturity of the underlying corporate paper match the currency and predicted duration of the post-retirement pension liabilities to be met.

The net interest cost is calculated by multiplying the net liability at the beginning of the reporting period by the interest rate used to discount the pension obligations at the beginning of the period.

The effects of the revaluation include the actuarial gains and losses on the valuation of the defined benefit obligation and the difference between the actual return on plan assets and the typical return on plan assets assumed at the beginning of the period when calculating the net interest cost.

While the revaluation effects are recognized in other comprehensive income, the net interest cost and the current service cost are reported in profit or loss in the reporting period. Net interest cost is reported in operating profit.

The calculation of the individual cost components in the net liability to be reported on the balance sheet on each reporting date is based on a report by a qualified actuary.

In the case of the employee-funded deferred compensation plan, the Company has taken out a reinsurance policy with a life insurance company based on the amount of salary contribution and undertakes to pay a pension based on the guaranteed capital that has been underwritten. The present value of the benefit obligation corresponds to the fair value of the entitlements to reinsurance cover on the basis of the asset values calculated by the insurer. For the purposes of recognition on the balance sheet, the present value of the benefit obligation is offset against the fair value of the entitlements to reinsurance cover in an equal amount.

As well as defined benefit pension plans, there are also defined contribution pension plans (e.g. direct insurance policies). The mandatory contributions are immediately recognized as staff costs. In this case, the recognition of provisions is not required because the DEUTZ Group has no obligation apart from the obligation to pay premiums.

Other provisions

Other provisions are recognized if there are legal or constructive obligations toward third parties that arise from past events and are likely to result in cash outflows. Furthermore, it must be possible to estimate the obligation reliably. Provisions are recognized at their settlement value calculated at the balance sheet date and take account of projected cost increases. Non-current provisions are discounted.

Provisions for **warranty obligations** are recognized when products are sold or when new warranties are initiated. The measurement of potential warranty liabilities is based primarily on historical experience.

A provision for **restructuring** is recognized as soon as the Group has approved a detailed and formal restructuring plan and has either begun to implement the restructuring plan or publicly announced it. Future operating losses are not recognized.

Provisions for **onerous contracts** are recognized when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. Contracts with customers are grouped into one unit of account if they are dependent on one another under a framework agreement.

Provisions for **share option programs** contain provisions for cash-settled share-based payments. They are measured at fair value. The fair value is recalculated at the grant date and at every balance sheet date based on the performance of the options. Changes to the fair value are recognized in profit or loss. At the time of settlement, the fair value is adjusted to the settlement value (which is equivalent to the intrinsic value of the share options) and recognized in profit or loss. The expense recognized over the full term of maturity corresponds to the amount paid out. For further information, see Note 31.

Contingent liabilities

Contingent liabilities are potential obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events that, however, are beyond the control of the DEUTZ Group. Furthermore, present obligations may constitute contingent liabilities if it is not probable that an outflow of resources will be required to settle the obligation, or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Effects of geopolitical risks and uncertainties

The weakness of the global economy, the ongoing geopolitical conflicts, and the related uncertainties surrounding movements in interest rates and prices and the future course of global trade are additional sources of uncertainty in the preparation of the consolidated financial statements. Potential impacts on the recoverability of assets are subject to ongoing review. Based on current knowledge, there is no impairment and no indication that the going concern basis of accounting should not be used. The effects of the changing environment are analyzed on an ongoing basis.

Notes to the income statement²⁷²

1. Revenue

Breakdown of revenue by application segment and by timing of recognition in 2025

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Construction Equipment	462.2	0.4	462.6
Material Handling	445.8	0.0	445.8
Agricultural Machinery	216.7	0.0	216.7
Stationary Equipment	101.1	155.9	257.0
Service	544.9	11.8	556.7
Miscellaneous	90.3	14.7	105.0
Total	1,861.0	182.8	2,043.8
thereof at a point in time	1,811.7	179.3	1,991.0
thereof over a period of time	49.3	3.5	52.8

Breakdown of revenue by application segment and by timing of recognition in 2024

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Construction Equipment	406.6	0.5	407.1
Material Handling	457.3	0.0	457.3
Agricultural Machinery	197.6	0.0	197.6
Stationary Equipment	94.7	72.6	167.3
Service	500.4	11.2	511.6
Miscellaneous	67.0	5.8	72.8
Total	1,723.6	90.1	1,813.7
thereof at point in time	1,686.7	84.4	1,771.1
thereof over a period of time	36.9	5.7	42.6

Breakdown of revenue by region in 2025

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Europe/Middle East/Africa	1,186.5	28.4	1,214.9
Americas	433.0	146.0	579.0
Asia-Pacific	137.9	0.3	138.2
China	103.6	8.1	111.7
Total	1,861.0	182.8	2,043.8

Breakdown of revenue by region in 2024

€ million

	DEUTZ Engines & Services	DEUTZ Solutions	Total
Europe/Middle East/Africa	1,017.9	25.0	1,042.9
Americas	462.8	64.2	527.0
Asia-Pacific	134.0	0.3	134.3
China	108.9	0.6	109.5
Total	1,723.6	90.1	1,813.7

²⁷² The tables and notes below relate to continuing operations.

The Group primarily generates revenue from the sale of engines and spare parts (service) to manufacturers of applications and to dealers. The revenue is recognized when control of the products is transferred to the purchaser and no unfulfilled obligations remain. This is usually deemed to have occurred when the products have been delivered or when the shipping documents have passed to the purchaser, whichever is the earlier. At this point in time, the opportunities and risks are transferred to the purchaser and the obligation to pay the purchase price is created.

Retrospective volume discounts that are based on total revenue for the financial year are often agreed with major customers for the sale of engines and spare parts. Revenue from these sales is recognized in the amount specified in the contract less the estimated volume discount. The provision is estimated mainly on the basis of the sales that are expected to be generated from the customer (most likely amount), a figure that is periodically updated. The provision is recognized as a contract liability under other liabilities. No significant financing components are involved as payment terms in line with market practice (30–60 days) are usually agreed with the customer. A provision for guarantees is recognized to cover the Group's obligation to repair or replace defective products in accordance with standard guarantee conditions.

When a remanufactured engine is sold (Xchange business), the customer is invoiced for the remanufactured engine and for a deposit for their old reconditionable engine. The revenue for the remanufactured engine is recognized at the point at which control is transferred. This is usually deemed to have occurred when the products have been delivered or when the shipping documents have passed to the purchaser, whichever is the earlier. At this point in time, the opportunities and risks are transferred to the purchaser and the obligation to pay the purchase price is created. The purchase price received for the deposit is recognized as a contract liability until the obligation to take back the reconditionable old engine expires.

In the reporting period, revenue of €3.9 million (2024: €6.6 million) was recognized that, at the beginning of the period, had been included in the balance of contract liabilities.

As part of its service business, the Group also carries out maintenance work. The revenue generated from this is recognized in the reporting period in which the services are rendered. As the services are usually rendered within a very short period of time, however, any revenue accrued at the end of the reporting period for services that have been rendered but not yet invoiced is not material.

DEUTZ applies the practical expedients in accordance with IFRS 15.121, IFRS 15.63, and IFRS 15.94.

2. Cost of sales

The cost of sales comprises the following cost items:

€ million	2025	2024
Cost of materials	1,116.5	942.2
Staff costs	263.1	240.7
Depreciation and amortization on property, plant and equipment and intangible assets	60.4	66.2
Other cost of sales items	164.4	163.8
Total	1,604.4	1,412.9

3. Research and development costs

The table below gives a breakdown of research and development costs:

€ million	2025	2024
Cost of materials	17.0	24.7
Staff costs	72.2	56.1
Depreciation, amortization and impairment	5.6	14.4
Own work capitalized and reimbursements	-3.2	-7.0
Other research and development costs	2.5	12.2
Total	94.1	100.4

In 2025, no impairment losses were recognized on capitalized development expenditure. In 2024, impairment losses of €9.2 million had been charged as a consequence of lower unit sales forecasts for an engine series.

4. Selling expenses and general administrative expenses

Selling expenses amounted to €168.5 million in the year under review (2024: €143.0 million). General and administrative expenses came to €130.4 million (2024: €111.7 million). Both the selling expenses and the general and administrative expenses predominantly consisted of staff costs. The respective amounts were €100.5 million and €84.3 million (2024: €89.1 million and €60.5 million). Depreciation, amortization, and impairment was included in selling expenses in an amount of €19.3 million (2024: €14.1 million) and in general and administrative expenses in an amount of €10.4 million (2024: €9.3 million).

5. Other operating income

€ million	2025	2024
Income from first-time consolidation	10.9	0.0
Foreign currency gains	10.1	10.5
Income from reversal of provisions	9.7	2.8
Income from the reduction in lease liabilities	6.5	0.0
Income from recharged costs and services	3.1	2.8
Research allowances for subsidized projects	2.5	3.5
Income from the measurement of derivatives	1.7	0.6
Income from the derecognition of liabilities	0.5	0.9
Sundry other income	6.2	3.6
Total	51.2	24.7

The rise in other operating income was largely due to income from first-time consolidation, the reversal of provisions, and the reduction in lease liabilities. The income from first-time consolidation stems from purchase price allocation, mainly in relation to the acquisition of the HJS Group. Income from the reversal of provisions chiefly relates to the reversal of provisions for anticipated losses due to economies of scale and an improved product mix. Income from the reduction in lease liabilities arose from a retrospective agreement with a lessor to substantially reduce lease payments.

6. Other operating expenses

€ million	2025	2024
Foreign currency losses	7.8	5.9
Expenses for pensions and other post-employment benefits	5.0	4.9
Other cost of fees, contributions and advice	4.9	2.9
Other expenses from the adjustment of provisions	2.6	8.5
Expenses in connection with the measurement of derivatives	0.9	1.1
Sundry other expenses	4.1	6.3
Total	25.3	29.6

The reduction in other operating expenses is predominantly due to lower provisions for onerous contracts and missing purchase invoices.

7. Profit/loss on equity-accounted investments, write-downs of equity-accounted investments and other investment income

€ million	2025	2024
Profit/loss on equity-accounted investments		
Income from equity-accounted investments	3.3	1.5
Expenses relating to equity-accounted investments	0.0	-0.6
Total	3.3	0.9
Other net investment income	0.3	0.4
Total	3.6	1.3

Income from equity-accounted investments consisted of DEUTZ AG's share in the profits of its joint venture Hunan DEUTZ Power, Ltd., Changsha (China), its associate D. D. Power Holdings (Pty) Ltd., Elandsfontein (South Africa), and its associate DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China), which was accounted for using the equity method until August 31, 2025.

As in the previous year, other net investment income related to profits transferred by DEUTZ Sicherheit GmbH, Cologne.

8. Financial income, net

€ million	2025	2024
Interest income on credit balances with banks	0.4	0.7
Other interest income	0.6	1.7
Interest income	1.0	2.4
Interest paid on liabilities on banks	-10.9	-11.1
Interest paid on sales of receivables	-3.0	-4.5
Interest paid on lease liabilities	-3.5	-3.7
Other interest expense	-2.8	-1.6
Interest expense	-20.2	-20.9
Other finance income/finance costs	0.0	1.3
Financial income, net	-19.2	-17.2

No borrowing costs were capitalized in either 2025 or 2024.

9. Taxes

Income taxes

The following table gives a breakdown of income taxes:

€ million	2025	2024
Current tax expense	13.7	11.3
thereof unrelated to the reporting period	1.5	-0.6
Deferred tax expense (+)/ deferred tax income (-)	-13.1	-28.6
thereof from temporary differences	-4.8	-7.3
thereof from loss carry-forwards	-8.3	-21.3
Total tax expense (+)/ income (-)	0.6	-17.3

The current income tax expenses predominantly related to current income generated by Group companies in 2025.

The deferred tax income included income of €4.8 million arising from temporary differences (2024: tax income of € 7.3 Mmillion). These resulted predominantly from a reduction in capitalized development expenditure that is not recognized in the tax accounts.

It is likely that more loss carryforwards can be used over the upcoming medium-term period of five years, resulting in deferred tax income on the recognition of deferred tax assets on loss carryforwards.

The tax reconciliation table shows the reconciliation from anticipated income taxes to effective income taxes as shown in the income statement. Effective income taxes include current and deferred taxes. The applicable tax rate is 31.79% (2024: 31.58%), comprising corporation tax at 15%, the solidarity surcharge (5.50% of the corporation tax), and trade tax at 15.97% based on an average assessment rate.

€ million	2025	2024
Net income before income taxes	54.7	24.7
Anticipated tax expense (+)/ income (-)	17.4	7.8
Effect from trade tax add-backs and deductions	0.9	0.9
Effects of differing tax rates	-0.7	-1.9
Effects of partnerships	1.0	0.0
Effects of deferred taxes on loss carryforwards and of the utilization of loss carryforwards	-13.2	-23.4
Effect of non-deductible expenses	2.4	0.9
Share of profit (loss) of equity-accounted investments	-0.9	0.1
Effect of tax-exempt income	-3.1	-2.7
Effect of potential dividend distributions	0.5	0.4
Effects not related to the reporting period		
Prior-year tax payments	1.5	-0.2
Deferred taxes resulting from prior-year adjustments	-4.8	0.5
Other	-0.4	0.3
Effective tax expense (+)/ income (-)	0.6	-17.3
Effective tax rate (%)	1.1	-70.0

The tax effect arising from deferred taxes on loss carryforwards essentially resulted from the capitalization of deferred taxes recognized on loss carryforwards. There is a tax effect of minus €5.4 million in connection with changes to tax legislation and the gradual reduction in corporate income tax in Germany from 15% to 10% between assessment periods 2028 and 2032.

Global minimum tax DEUTZ AG falls within the scope of the OECD pillar two model rules for national implementation of global minimum tax. DEUTZ AG is applying the exemption – provided by IAS 12 Income Taxes – whereby no deferred tax assets and liabilities in connection with income taxes under OECD pillar two are recognized and no disclosures are made. The German Minimum Tax Act (MinStG), which came into force in December 2023 for financial years beginning after December 31, 2023, requires the DEUTZ Group to pay top-up tax in each jurisdiction; the amount to be paid is the difference between the GloBE²⁷³ effective tax rate and the minimum rate of 15%. The Group has checked whether the CbCR safe harbor rules are pertinent. There was no material impact.

²⁷³ Global Anti-Base Erosion Rules

10. Earnings per share

Earnings per share is calculated in accordance with IAS 33. The DEUTZ Group calculates basic earnings per share by dividing the net income attributable to its shares by the weighted average number of shares outstanding. It is determined on the basis of continuing and discontinued operations.

There were no dilutive effects in 2025 or 2024 because there are no exercisable options to convert financial instruments with equity components.

	2025	2024
Net income attributable to shareholders of the DEUTZ Group (€ million)	53.6	51.8
thereof from continuing operations	53.6	42.0
thereof from discontinued operations	0.0	9.8
Weighted average number of shares outstanding (thousand)	143,096	132,420
Earnings per share (€)	0.37	0.39
thereof from continuing operations	0.37	0.32
thereof from discontinued operations	0.00	0.07

Notes to the statement of comprehensive income

11. Other comprehensive income

Other comprehensive income comprises the elements of the statement of comprehensive income not reported in the income statement. The taxes resulting from other comprehensive income are shown in the following table:

€ million	2025			2024		
	Before taxes	Taxes	After taxes	Before taxes	Taxes	After taxes
Amounts that will not be reclassified to the income statement in the future	-1.0	0.3	-0.7	5.3	-1.7	3.6
Remeasurements of defined benefit plans	-1.0	0.3	-0.7	5.3	-1.7	3.6
Amounts that will be reclassified to the income statement in the future if specific conditions are met	-32.1	3.5	-28.6	-2.4	2.3	-0.1
Currency translation differences	-21.0	0.0	-21.0	4.7	0.0	4.7
thereof profit/loss on equity-accounted investments	-3.3	0.0	-3.3	-0.9	0.0	-0.9
Effective portion of change in fair value from cash flow hedges	2.2	-0.7	1.5	-3.4	1.1	-2.3
Fair value of financial instruments	-13.3	4.2	-9.1	-3.7	1.2	-2.5
Other comprehensive income	-33.1	3.8	-29.3	2.9	0.6	3.5

In 2025, gains totaling €3.7 million on cash flow hedges (2024: gains of €0.4 million) recognized in other comprehensive income during the year (prior to the inclusion of deferred taxes) were reclassified to other operating income in the consolidated income statement.

Notes to the balance sheet

12. Property, plant and equipment

Gross figures	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture and fixtures	Advances paid and construction in progress	Total
Cost of purchase/ conversion					
€ million					
Balance at Jan. 1, 2025	341.6	614.5	398.2	37.6	1,391.9
Currency translation differences	-4.6	-3.0	-2.8	0.0	-10.4
Additions	18.4	15.0	23.3	13.5	70.2
Investment grants	0.0	0.6	0.0	0.0	0.6
Disposals	-1.2	-24.6	-23.3	-0.1	-49.2
Company mergers	24.4	3.7	3.4	0.2	31.7
Reclassifications	5.1	14.7	2.1	-32.7	-10.8
Balance at Dec. 31, 2025	383.7	620.9	400.9	18.5	1,424.0
Gross figures					
Depreciation and impairment					
€ million					
Balance at Jan. 1, 2025	172.8	499.0	301.3	0.4	973.5
Currency translation differences	-2.2	-2.1	-1.6	0.0	-5.9
Depreciation	17.9	18.2	30.3	0.0	66.4
Impairment	0.0	0.0	0.0	0.0	0.0
Disposals	-1.0	-24.3	-23.1	0.0	-48.4
Reclassifications	0.0	-0.1	0.1	0.0	0.0
Balance at Dec. 31, 2025	187.5	490.7	307.0	0.4	985.6
Net carrying amount at Dec. 31, 2025	196.2	130.2	93.9	18.1	438.4

Gross figures Cost of purchase/conversion	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture and fixtures	Advances paid and construction in progress	Total
€ million					
Balance at Jan. 1, 2024	326.5	594.1	370.8	18.2	1,309.6
Currency translation differences	1.7	1.4	1.2	0.0	4.3
Additions	12.8	19.5	34.0	32.0	98.3
Investment grants	0.0	-0.6	0.0	0.0	-0.6
Disposals	-9.1	-10.5	-11.6	-0.3	-31.5
Company mergers	7.9	3.6	0.3	0.0	11.8
Reclassifications	1.8	7.0	3.5	-12.3	0.0
Balance at Dec. 31, 2024	341.6	614.5	398.2	37.6	1,391.9

Gross figures Depreciation and impairment	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture and fixtures	Advances paid and construction in progress	Total
€ million					
Balance at Jan. 1, 2024	163.7	485.9	280.3	0.4	930.3
Currency translation differences	0.9	1.0	0.7	0.0	2.6
Depreciation	16.7	20.9	29.5	0.0	67.1
Impairment	0.0	0.0	1.3	0.0	1.3
Disposals	-8.8	-8.5	-10.5	0.0	-27.8
Reclassifications	0.3	-0.3	0.0	0.0	0.0
Balance at Dec. 31, 2024	172.8	499.0	301.3	0.4	973.5
Net carrying amount at Dec. 31, 2024	168.8	115.5	96.9	37.2	418.4

Property, plant and equipment also includes right-of-use assets in connection with leases. These are described in detail in Note 25 in these notes to the financial statements.

Of the additions in 2025, a sum of €19.7 million was attributable to right-of-use assets in connection with leases (2024: €26.0 million). Capital expenditure in respect of right-of-use assets was mainly attributable to the extension of leases for leased property and to new leases for properties and technical equipment and machines.

Investment in property, plant and equipment (excluding right-of-use assets for leases) mainly related to IT equipment, the establishment of the new multi-function center, new test rigs for gas, electric, and hydrogen drives, new machinery and tools, the set-up of the new assembly line for engine series with capacities of between 4 and 8 liters, and replacement investment in machinery.

Purchase commitments for property, plant and equipment are described in Note 28.

13. Intangible assets

Gross figures Cost of purchase/ conversion € million	Goodwill	Internally generated intangible assets		Other intangible assets	Total
		Completed	In development		
Balance at Jan. 1, 2025	81.7	472.1	73.1	312.5	939.4
Currency translation differences	0.0	-0.1	0.0	-6.2	-6.3
Additions	0.0	0.3	21.5	2.8	24.6
Disposals	0.0	0.0	0.0	-2.0	-2.0
Company mergers	167.7	0.6	0.0	1.2	169.5
Recognition of goodwill acquired in the previous year ²⁷⁴	-4.1	0.0	0.0	5.0	0.9
Reclassifications	0.0	0.0	5.7	5.2	10.9
Balance at Dec. 31, 2025	245.3	472.9	100.3	318.5	1,137.0

Gross figures Amortization and impairment € million	Goodwill	Internally generated intangible assets		Other intangible assets	Total
		Completed	In development		
Balance at Jan. 1, 2025	0.0	443.6	35.7	157.1	636.4
Currency translation differences	0.0	0.0	0.0	-1.2	-1.2
Amortization	0.0	3.5	0.0	25.7	29.2
Impairment	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	-2.0	-2.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance at Dec. 31, 2025	0.0	447.1	35.7	179.6	662.4
Net carrying amount at Dec. 31, 2025	245.3	25.8	64.6	138.9	474.6

Gross figures Cost of purchase/ conversion € million	Goodwill	Internally generated intangible assets		Other intangible assets	Total
		Completed	In development		
Balance at Jan. 1, 2024	38.0	471.9	70.9	180.2	761.0
Currency translation differences	0.0	0.0	0.0	1.4	1.4
Additions	0.0	0.0	2.2	2.5	4.7
Investment grants	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	-0.5	-0.5
Company mergers	44.6	0.2	0.0	128.9	173.7
Recognition of goodwill acquired in the previous year	-0.9	0.0	0.0	0.0	-0.9
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance at Dec. 31, 2024	81.7	472.1	73.1	312.5	939.4

²⁷⁴ Goodwill was reduced by €4.1 million when the purchase price allocation was finalized. Other intangible assets increased by €5.0 million as a result of an adjustment to the customer base. Deferred tax liabilities of €0.9 million were recognized.

Gross figures Amortization and impairment € million	Internally generated intangible assets			Other intangible assets	Total
	Goodwill	Completed	In development		
Balance at Jan. 1, 2024	0.0	433.5	26.5	141.1	601.1
Currency translation differences	0.0	0.0	0.0	0.2	0.2
Amortization	0.0	10.1	0.0	16.2	26.3
Impairment	0.0	0.0	9.2	0.1	9.3
Reversals of impairment losses	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	-0.5	-0.5
Reclassifications	0.0	0.0	0.0	0.0	0.0
Reclassifications according to IFRS 5	0.0	0.0	0.0	0.0	0.0
Balance at Dec. 31, 2024	0.0	443.6	35.7	157.1	636.4
Net carrying amount at Dec. 31, 2024	81.7	28.5	37.4	155.4	303.0

Other intangible assets as at December 31, 2025 mainly comprised customer relationships in connection with the acquisitions carried out in the reporting year and in previous years with an aggregate value of €76,2 million (December 31, 2024: €86,7 million). Other intangible assets also included the Blue Star Power Systems brand, a sales license, and subsidies for resources owned by suppliers.

As at December 31, 2025, the internally generated intangible assets largely comprised intellectual property rights (IP rights) for medium-duty engines (MDEG engines) and license rights for heavy-duty engines (HDEP engine series) of Daimler Truck AG amounting to €35,7 million (December 31, 2024: €37,4 million).

No impairment losses were charged on internally generated intangible assets in 2025.

Amortization relating to internally generated intangible assets, amounting to €3.5 million (2024: €10.1 million), was recognized under the cost of sales in the income statement. Amortization relating to other intangible assets, amounting to €25.7 million (2024: €16.2 million), was split across all functional areas in the income statement.

Goodwill Goodwill of €245.3 million was attributable to the DEUTZ Engines & Services and DEUTZ Solutions segments and is managed at the level of these segments.

The table below shows the changed allocation of goodwill to the operating segments of the Group.

€ million	DEUTZ Engines & Services	DEUTZ Solutions	Total
Balance at Jan. 1, 2025	78.3	3.4	81.7
Additions	144.0	23.7	167.7
Disposals	-4.1	0.0	-4.1
Reclassification	0.0	0.0	0.0
Balance at Dec. 31, 2025	218.2	27.1	245.3

Goodwill was tested for impairment at the level of the DEUTZ Engines & Services and DEUTZ Solutions operating segments as at December 31, 2025 as these are the groups of cash-generating units (CGUs) to which the goodwill has been allocated. The additions related to the acquisitions made in 2025. The goodwill arising from the acquisitions of SOBEK, Double Down Heavy Repair, OnSite Diesel, and DEUTZ Turkey was provisionally assigned to the DEUTZ Engines & Services segment pending finalization of the respective purchase price allocations. The goodwill from the acquisition of UMS was provisionally assigned to the DEUTZ Solutions segment. The reduction relates to the purchase price allocation for BTH

FAST which was finalized in 2025. The recoverable amounts of these operating segments were then offset against the carrying amounts of the operating segments including the allocated goodwill. As market prices are not available for these groups of cash-generating units, the recoverable amount of an operating segment is calculated by determining fair value less costs to sell in accordance with the discounted cash flow (DCF) method. Fair value less costs to sell is measured on the basis of unobservable inputs (level 3). Fair value less costs to sell was calculated by discounting estimated future cash flows to their present value. The calculation uses a discount rate that reflects current market expectations in respect of the time

value of money and the risks inherent in the group of CGUs. The cash flows used in the calculation were derived from the financial plan approved by senior management, which reflects market expectations and covers a five-year period (detailed planning phase). For the two groups of CGUs, DEUTZ Engines & Services and DEUTZ Solutions, the detailed planning phase was extended by an additional rough planning period of one year in order to achieve the stable outlook for the CGUs required for the calculation for perpetuity. The detailed planning phase was extended by 15 years for both the DEUTZ Engines & Services CGU and the DEUTZ Solutions CGU. Key assumptions underlying the calculation of cash flows in the detailed planning phase include assumptions concerning unit sales volumes, sales prices, and costs that are based on inhouse experience and data collected outside the Company. As planning in the DEUTZ Solutions segment revolves around new technologies, DEUTZ maintains an ongoing dialogue with customers in this area in order to gauge needs and assess the competitiveness of its products. Cash flows that extend beyond the detailed planning phase are determined using appropriate revenue growth rates and EBIT figures extrapolated from these. For the rough planning period, a CAGR²⁷⁵ of 3,9% has been assumed. The growth rate applied in perpetuity is 1%. In light of the anticipated growth in the DEUTZ Solutions segment, unit sales expectations for the DEUTZ Engines & Services segment will diminish over the long term. Here too, the likely picture at the end of the detailed planning phase remains subject to change. For cash flows in the rough planning period, a CAGR of minus 0,5% has been assumed for the DEUTZ Engines & Services segment. The growth rate applied in perpetuity is minus 3%. Planning for unit sales in both segments is based on a technology matrix that illustrates the expected impact of shifting the Company's product and service portfolio toward climate-neutral drive systems. The trajectory of political discussions around the transition to renewable energies and carbon neutrality can affect the Group's technology matrix and prompt changes to the assumptions.

DEUTZ Engines & Services operatin segment Revenue in the DEUTZ Engines & Services operating segment in the planning period will be generated mainly through the sale of diesel and gas engines and through the spare parts business (service). The planning is based both on market data and on a management estimate. Our revenue planning considered not only the anticipated performance of the market for diesel engines in our key application segments but also the trends in the industries in which our major customers operate.

The post-tax cost of capital used for discounting was 8.51%. The discount rate was based on a risk-free interest rate of 3.25% and a market risk premium of 6.0%. In addition, the beta factor, the cost of debt, and the capital structure were determined using a peer group specific to the business unit.

The impairment test carried out for the DEUTZ Engines & Services operating segment verified the recoverability of the goodwill allocated to this segment. The following sensitivity analyses were performed for the material assumptions in addition to the impairment test. A potential increase/decrease in the weighted average cost of capital (WACC) by 1 percentage point or a potential increase/decrease in the growth rate by 0.5 percentage points – which are all possible in the view of senior management – would have the following impact on the recoverable amount of the DEUTZ Engines & Services segment's group of cash-generating units:

Sensitivity analysis of recoverable amount – DEUTZ Engines & Services CGU

Change in recoverable amount	Change in growth rate Terminal value (percentage points)			
	-0.5	0	+0.5	
€ million	-1	351.3	374.8	400.7
WACC change (percentage points)	0	-15.6	0.0	17.0
	+1	-314.9	-304.4	-293.1

Excess/shortfall compared with the carrying amount of the CGU	Change in growth rate Terminal value (percentage points)			
	-0.5	0	+0.5	
€ million	-1	2,022.2	2,045.7	2,071.6
WACC change (percentage points)	0	1,655.3	1,670.9	1,687.9
	+1	1,356.0	1,366.5	1,377.8

²⁷⁵ Compound annual growth rate (CAGR) representing the average annual rate of growth.

DEUTZ Solutions operating segment The post-tax cost of capital used for discounting was 8.18%. The discount rate was based on a risk-free interest rate of 3.25% and a market risk premium of 6.0%. In addition, the beta factor, the cost of debt, and the capital structure were determined using a peer group specific to the business unit.

The impairment test carried out for the DEUTZ Solutions operating segment verified the recoverability of the goodwill allocated to this segment. The following sensitivity analyses were performed for the material assumptions in addition to the impairment test. A potential increase/decrease in the weighted average cost of capital (WACC) by 1 percentage point or a potential increase/decrease in the growth rate by 0.5 percentage points – which are all possible in the view of senior management – would have the following impact on the recoverable amount of the DEUTZ Solutions segment's group of cash-generating units:

Sensitivity analysis of recoverable amount – DEUTZ Solutions CGU

Change in recoverable amount	Change in growth rate Terminal value (percentage points)		
	-0.5	0	+0.5
€ million			
	-1	129.8	159.3
WACC change (percentage points)	0	-18.4	0.0
	+1	-129.1	-117.2
			194.0
			21.2
			-103.7

Excess/shortfall compared with the carrying amount of the CGU

€ million	Change in growth rate Terminal value (percentage points)		
	-0.5	0	+0.5
	-1	583.3	612.8
WACC change (percentage points)	0	435.1	453.5
	+1	324.4	336.3
			647.5
			474.7
			349.7

14. Equity-accounted investments

The shares held by the DEUTZ Group in associates and joint ventures, none of which are listed companies, are as follows:

€ million	2025	2024
Jan. 1	43.8	41.4
Additions	0.0	1.3
Disposals	-3.1	0.0
Pro-rata profit/loss on equity-accounted investments	3.3	0.9
Other changes arising from measurement using the equity method	-2.9	0.2
Dec. 31	41.1	43.8

The disposal of €3.1 million relates to the derecognition of the equity-accounted investment in the associate DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China). The investment in DEUTZ Power Solution (Xuzhou) Co., Ltd. was increased as at September 1, 2025 and fully consolidated.

A summary of further financial information about associates and joint ventures is provided in Note 27. Interests in other entities.

15. Other assets and financial assets (non-current)

€ million	Dec. 31, 2025	Dec. 31, 2024
Equity investments	0.2	1.3
Non-current securities	4.0	4.2
Cost of borrowing	0.1	0.3
Loans	0.0	1.3
Other non-current assets	10.9	10.8
Other	0.1	0.5
Total	15.3	18.4

Equity investments This line item consists of the carrying amount of the equity investment in Blue World Technologies, Aalborg (Denmark). The decrease of €1.1 million was due to an adjustment to the carrying amount of the equity investment, which is measured at fair value. The adjustment was recognized in other comprehensive income.

Non-current securities This line item on the balance sheet includes securities in the form of equities and bonds. The securities are mainly used to hedge the pension obligations of the Group company DEUTZ Corporation, Atlanta (USA).

Cost of borrowing The cost of borrowing directly associated with the working capital facility is accounted for as a non-current asset and is recognized in the income statement in installments over the capital commitment period. The financial debt (including the pro rata cost of borrowing) is recognized when the working capital facility is drawn down as a loan and is subsequently measured using the effective interest method.

Lending In 2024, this line item contained the increase in value of the loan to the former suppliers Gusswerke Saarbrücken GmbH and Gusswerke Leipzig GmbH resulting from an inflow of cash that was expected due to a distribution of assets as part of insolvency proceedings.

Other non-current assets This item comprises an entitlement of DEUTZ to be granted a right of use regarding intellectual property rights that arise from the further development of the on-highway HDEP engines in connection with the license agreement.

16. Deferred taxes, current taxes and other tax liabilities

As at the balance sheet date, DEUTZ AG had unutilized tax losses carried forward of €698.1 million for corporation tax (2024: €705.9 million) and €814.2 million for trade tax (2024: €824.1 million). The figures disclosed in 2024 for tax loss carryforwards (corporation tax: €715.3 million; trade tax: €816.3 million) were adjusted in line with tax audits and updated tax assessments.

Further tax loss carryforwards were also available to international companies in the Group.

The following table gives a breakdown of the deferred tax assets and liabilities and the current tax assets and liabilities reported on the balance sheet:

€ million	Dec. 31, 2025	Dec. 31, 2024
Non-current		
Deferred tax assets	163.8	153.9
Deferred tax liabilities	9.9	5.6
Current		
Current tax assets	16.8	12.4
Liabilities arising from income taxes	4.0	1.5

In 2025, the deferred tax assets net of deferred tax liabilities amounted to €153.9 million. They were largely the result of capitalizing deferred tax assets on tax losses carried forward (thereof from business combinations: €19.8 million) and of temporary differences, particularly those between the carrying amount of provisions for pensions and other post-retirement benefits on the consolidated balance sheet and their tax base in the financial statements of DEUTZ AG. Deferred tax assets from items recognized in other comprehensive income chiefly related to provisions for pensions and other post-retirement benefits (€11.5 million; December 31, 2024: €15.3 million).

The following table shows the breakdown of deferred tax assets and liabilities:

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	2.4	12.1	0.7	11.6
Property, plant and equipment	1.2	23.5	0.9	21.2
Investments	2.7	4.3	1.4	0.0
Inventories	17.3	0.1	13.7	0.0
Receivables and other assets	4.7	0.4	0.6	3.0
Pensions	6.2	0.2	7.2	0.1
Other liabilities	47.0	12.6	77.2	34.1
Tax loss carryforwards	125.6	0.0	116.6	0.0
Deferred taxes (gross)	207.1	53.2	218.3	70.0
Netting	43.3	43.3	64.4	64.4
Deferred taxes (net)	163.8	9.9	153.9	5.6

The tax assets in excess of deferred tax liabilities – for which sufficient taxable profit will be available in the future – amounted to €163.8 million (December 31, 2024: €153.9 million).

The following table shows the changes in deferred taxes:

€ million	2025	2024
Deferrex taxes as at January 1	148.3	121.6
Expense/income recognized in the income statement	13.1	28.6
Deferred taxes recognized in other comprehensive income	-7.5	-1.9
Deferred taxes as at December 31	153.9	148.3

The decrease in deferred taxes in respect of temporary differences, which was recognized in other comprehensive income, was €7.5 million as at December 31, 2025 (December 31, 2024: decrease of €1.9 million) and largely resulted from the change in provisions for pensions and other post-retirement benefits.

As at December 31, 2025 the DEUTZ Group had not recognized any deferred tax liabilities on temporary differences of €0.6 million (December 31, 2024: €1.6 million) in connection with subsidiaries, associates, or joint ventures because the timing of the reversal of the differences can be controlled and no material impact on taxes is expected in the near future.

Deferred tax assets are only recognized to the extent that sufficient future taxable income is likely to be generated over a certain planning period against which the as yet unused tax loss carryforwards can be offset. Consequently, as well as tax loss carryforwards on which deferred taxes have been recognized, there are loss carryforwards for which deferred taxes have not been recognized because the losses cannot be

utilized. The following tables show the amounts and expiry dates of the tax loss carryforwards on which deferred taxes have not been recognized:

Loss carryforwards in the Group on which deferred taxes have not been recognized

€ million	Dec. 31, 2025	Dec. 31, 2024
Corporation tax/solidarity surcharge	307.8	340.3
Trade tax	416.2	482.9

Thereof: expiry periods for German and international loss carryforwards in the Group

€ million	Dec. 31, 2025	Dec. 31, 2024
Up to 5 years	0.0	0.0
Indefinite		
Corporation tax/solidarity surcharge	307.8	340.3
Trade tax	416.2	482.9

The figures disclosed in 2024 for loss carryforwards on which deferred taxes had not been recognized in full (corporation tax: €379.7 million, trade tax: €447.3 million) were adjusted following updates to tax assessments..

17. Inventories

€ million	Dec. 31, 2025	Dec. 31, 2024
Raw materials, consumables, bought-in parts and spare parts	267.1	239.6
Work in progress	60.3	62.0
Finished goods	123.6	130.0
Total	451.0	431.6

The cost of materials came to €1,116.5 million in the year under review (2024: €942.2 million).

The following table shows the change in the valuation allowance accounts for inventories:

€ million	2025	2024
Jan. 1	56.0	47.9
Changes	10.9	8.1
Dec. 31	66.9	56.0

18. Receivables and other assets

€ million	Dec. 31, 2025	Dec. 31, 2024
Trade receivables	197.4	192.0
Less write-downs	-4.8	-5.6
Trade receivables (net)	192.6	186.4
Other receivables and assets		
Receivables arising from other taxes	15.5	17.1
Bonuses and other receivables from suppliers	8.0	8.4
Receivables remaining after sale of receivables	1.9	2.4
Receivables arising from core engines	1.5	0.0
Receivables arising from investment grants	2.1	2.3
Prepayments	7.4	6.2
Receivables arising from reimbursements	0.6	0.4
Receivables due from investments	0.9	0.4
thereof trade receivables	0.9	0.4
thereof other receivables	0.0	0.0
Derivative financial instruments	0.8	0.0
Advances paid	0.3	0.6
Sundry other receivables	16.0	15.6
Total	55.0	53.4

As at December 31, 2025, the volume of receivables sold under factoring agreements was €115.8 million (December 31, 2024: €103.9 million). Not all the opportunities and risks connected with title to the receivables that were sold were transferred to the factor. While the entire credit risk was transferred, a risk of late payment remains for trade receivables of €0.5 million (December 31, 2024: €0.8 million) that were sold. This risk was mitigated by recognizing a liability in the corresponding amount. These receivables of €0.5 million (December 31, 2024: €0.8 million) continued to be recognized as part of the continuing involvement. The fair values of the receivables transferred and the related liabilities amounted to €115.8 million and €0.5 million (December 31, 2024: €103.9 million and €0.8 million) respectively. The net value of the receivables transferred was €115.3 million (December 31, 2024: €103.1 million). The total carrying amount of the receivables before they were transferred as part of factoring arrangements stood at €307.9 million (December 31, 2024: €289.5 million). An amount of €192.6 million (December 31, 2024: €186.4 million) continued to be recognized. DEUTZ AG remains responsible for managing the receivables that were sold. As at December 31, 2025, the Group had access to factoring lines totaling €260.0 million (December 31, 2024: €250.0 million). They are revolving lines. In 2025, interest expense of €3.0 million (2024: €4.5 million) was recognized in connection with the sale of receivables.

As at December 31, 2025, there were receivables amounting to €1.9 million due from one factor (December 31, 2024: €2.4 million) in connection with the sale of receivables. The fair value of these receivables was also €1.9 million (December 31, 2024: €2.4 million). The risk arising from the factoring transaction was the credit risk of the factor, which was lower than the credit risk of the original debtors. The maximum downside risk as at December 31, 2025 was limited to the amount receivable of €1.9 million (December 31, 2024: €2.4 million).

Trade receivables had been written down by an amount of €4.8 million as at December 31, 2025 (December 31, 2024: €5.6 million). The table showing the change in the valuation account can be found in Note 26. Financial risk management and additional information on capital management.

If other receivables or assets are found to be impaired, a direct write-down is applied to the relevant carrying amounts. Total impairment losses of €9.2 million were recognized on other receivables and assets as at December 31, 2025 (December 31, 2024: €9.2 million). The table showing the change in the valuation account can be found in Note 26.

There were no contract assets arising from contracts with customers as at December 31, 2025 or as at December 31, 2024.

19. Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short-term deposits, and credit balances with banks. It amounted to €63.5 million as at December 31, 2025 (December 31, 2024: €62.0 million). There were no access restrictions, as had also been the case in the previous year.

20. Equity

€ million	Dec. 31, 2025	Dec. 31, 2024
Issued capital	390.8	354.7
Additional paid-in capital	170.8	78.9
Other reserves	-35.4	-6.8
Retained earnings and accumulated income	450.4	421.1
Equity attributable to the shareholders of the parent	976.6	847.9
Non-controlling interests	3.4	0.0
Total	980.0	847.9

Issued capital At the end of 2025, the issued capital (share capital) of DEUTZ AG amounted to €390,753,548.80 (December 31, 2024: €354,739,200.24) and was divided into 152,638,105 no-par-value bearer shares (December 31, 2024: 138,761,914). The no-par-value shares had a notional par value of €2.56 each (December 31, 2024: €2.56). Each share confers one vote and determines the corresponding share of profit.

The increase in issued capital in 2025 was attributable to two capital increases.

Firstly, a capital increase from the Company's own funds based on a resolution adopted by the Annual General Meeting on May 8, 2025 increased share capital by converting reserves into share capital in an amount of €491,299.60 without issuing new shares.

Secondly, the placement on a non-pre-emptive basis of 13,876,191 new shares with institutional investors in September 2025 by way of a capital increase against cash contributions also contributed to the increase in issued capital. Some of the authorized capital was used to issue the new shares, increasing share capital by a further €35,523,048.96.

Authorized capital As at December 31, 2025, the composition of the authorized capital was as follows:

By way of a resolution adopted by the Annual General Meeting on April 27, 2023, the Board of Management has been authorized, in accordance with article 4 (2) of the Statutes of DEUTZ AG and subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before April 26, 2028 on one or more occasions in installments through the issue of up to 24,172,356 new no-par-value bearer shares for cash by up to a total amount of €61,795,646.86 (authorized capital 2023/I).

By way of a resolution adopted by the Annual General Meeting on May 8, 2025, the existing authorized capital 2023/II was cancelled and replaced by new authorized capital 2025/I, which authorizes the Board of Management, in accordance with article 4 (3) of the Statutes of DEUTZ AG and subject to the consent of the Supervisory Board, to increase the share capital of the Company on or before May 7, 2030 on one or more occasions in installments through the issue of up to 27,752,382 new no-par-value bearer shares for cash and/or non-cash contribution by up to a total amount of €71,046,097.92 (authorized capital 2025/I).

The issue of new shares or the creation of conversion rights and/or option rights or obligations is permitted only to the extent that the new shares issued and/or the conversion and/or option rights or obligations created do not in total exceed 40% of the share capital. All utilizations of the authorizations granted (authorized capital 2023/I and 2025/I, conditional capital, issue of profit-sharing rights without conversion rights

or option rights, purchase and use of treasury shares) are thus to be aggregated.

Existing shareholders generally have pre-emption rights when authorized capital 2023/I or 2025/I is utilized. However, these can be disappplied in the specific cases stipulated in article 4 (2) and (3) of the Statutes of DEUTZ AG, subject to the consent of the Supervisory Board. Authorizations to disapply pre-emption rights are provided for to an extent that corresponds, as a maximum, to the quantitative requirements of section 186 (3) sentence 4 of the German Stock Corporation Act (AktG), which have preferential status.

In accordance with section 203 (2) sentence 2 AktG in conjunction with section 186 (4) sentence (2) AktG, the Board of Management prepared written reports on the possibilities for disapplying pre-emption rights provided under authorized capital 2023/I and 2025/I, which were made accessible online at www.deutz.com/en/investor-relations/annual-general-meeting/ from the dates on which the 2023 and 2025 Annual General Meetings were convened.

The total of all shares issued (or to be issued in the case of convertible bonds and warrant-linked bonds) under disapplication of pre-emption rights in accordance with these authorizations may not cumulatively exceed the limit of 10% of the share capital. This limit is determined by the share capital of the Company at the time these authorizations take effect or – if lower – the share capital at the time these authorizations are utilized.

The nominal amount of the as-yet unutilized authorized capital 2023/I was €61,795,646.86 as at December 31, 2025. In the context of the capital increase against cash contributions in September 2025 that was carried out with the disapplication of pre-emption rights, 13,876,191 new shares were issued from authorized capital 2025/I. Share capital increased as a result by €35,523,048.96, meaning that authorized capital 2025/I amounted to €35,523,048.96 as at December 31, 2025 following the partial utilization.

Conditional capital As at December 31, 2025, the composition of the conditional capital was as follows:

Based on a resolution adopted by the Annual General Meeting on May 8, 2025, the share capital of DEUTZ AG is conditionally increased by up to €71,046,097.92 by issuing up to 27,752,382 new shares.

The conditional capital will only be increased to the extent to which the holders of convertible bonds or of warrants from warrant-linked bonds that are issued by the Company or a subsidiary on or before May 7, 2030 on the basis of the authorization granted to the Board of Management by the Annual General Meeting on May 8, 2025 exercise their conversion/option rights or – if they have a conversion obligation or an obligation to exercise the option – fulfill such

obligation, and provided that no other means are used to satisfy such rights and/or obligations. The new shares shall be issued at the conversion or option exercise prices to be determined in each case in accordance with the aforementioned authorization resolution as set out in the bond/warrant terms and conditions (conditional capital 2025).

The shares issued on the basis of this provision entitle their holders to a share of the Company's profits from the beginning of the financial year in which they are created. The Board of Management was authorized to decide on the finer details for implementing the conditional capital increase, subject to the consent of the Supervisory Board.

For further information on the capital threshold and the disapplication of pre-emption rights, please refer to the notes on authorized capital. Existing shareholders generally have pre-emption rights.

Profit-sharing rights By way of a resolution adopted by the Annual General Meeting on April 27, 2023, the Board of Management has been authorized to issue on or before April 26, 2028 on one or more occasions registered and/or bearer profit-sharing rights to a total value of up to €100,000,000 without conversion rights or option rights in respect of shares in the Company and with or without a limited maturity, subject to the consent of the Supervisory Board. The profit-sharing rights may be denominated in euros or in any other legal tender of an OECD member state. If profit-sharing rights are issued in another currency, the relevant corresponding value in euros is the value calculated at the ECB reference rate on the date the resolution on the issue of the profit-sharing rights is adopted. The profit-sharing rights may be issued for cash or in return for a non-cash contribution.

For further information on the capital threshold and the disapplication of pre-emption rights, please refer to the notes on authorized capital. Existing shareholders generally have pre-emption rights.

Treasury shares pursuant to section 71 (1) no. 8 AktG By way of a resolution adopted by the Annual General Meeting on April 27, 2023, the Board of Management has been authorized to purchase treasury shares on or before April 26, 2028 in an amount equivalent to up to a total of 10% of the Company's share capital in existence when the resolution is adopted or – if lower – of the Company's share capital in existence at the time the authorization is exercised, subject to the consent of the Supervisory Board. The shares purchased on the basis of this authorization, together with other treasury shares that the Company has already purchased and still holds or which are attributable to the Company pursuant to sections 71a et seq. AktG, must at no time account for more than 10% of the Company's share capital.

The authorization must not be used for the purpose of trading in treasury shares.

The Company did not purchase any treasury shares under this authorization in 2025 or 2024.

Additional paid-in capital The additional paid-in capital contains premiums and contributions from shareholders as well as the equity component of compound financial instruments such as non-interest-bearing convertible profit-sharing rights and low-interest-bearing convertible bonds. The value of the conversion right linked to previous profit-sharing rights and bonds was recognized in equity on the issue date at fair value less pro rata transaction costs, taking account of deferred taxes.

No such compound financial instruments were in issue, either in 2025 or in 2024.

The 13,876,191 new shares were placed with institutional investors at a price of €9.45 per share. The issue proceeds that exceeded the nominal amount per share of €2.56, which amounted to €95.6 million, were transferred to additional paid-in capital.

Other reserves

Currency translation Translation differences allocated to the shareholders of DEUTZ AG arising from the translation of equity at historical rates and the translation of the net income or loss at average rates for the year are reported under accumulated other comprehensive income/loss. The cumulative loss on translation differences recognized in other reserves amounted to €16.7 million as at the end of 2025 (December 31, 2024: gain of €4.3 million recognized).

Fair value reserve This reserve is used for the recognition of changes in the fair value of financial instruments that are measured at fair value. That portion of the gain or loss on a cash flow hedging instrument determined to be an effective hedge is also recognized in the fair value reserve.

Retained earnings and accumulated income This item includes DEUTZ AG's legal reserve of €4.5 million (December 31, 2024: €4.5 million).

Non-controlling interests The non-controlling interests relate to SINOCHAIN Environment Protection Co., Ltd., Shanghai (China), and Robberts Holdings (Pty) Ltd., Johannesburg (South Africa) There were no non-controlling interests in equity in existence in the comparative period.

Dividend According to the German Stock Corporation Act (AktG), the dividend is paid from the accumulated income reported in the annual financial statements of DEUTZ AG prepared in accordance with the German Commercial Code (HGB). In 2025, DEUTZ AG distributed a dividend of €23.6 million to its shareholders (€0.17 per share) from the accumulated income reported as at December 31, 2025.

The Board of Management proposes using €27.5 million of the accumulated income reported by DEUTZ AG as at December 31, 2025 to pay a dividend of €0.18 per no-par-value share.

21. Provisions for pensions and other post-retirement benefits

DEUTZ AG has both defined contribution plans and defined benefit plans for its employees.

Defined contribution plans Employees in Germany receive statutory social insurance benefits for which contributions are paid as part of income. At DEUTZ, there are also further direct insurance policies that are financed by employees. These plans are treated as defined contribution plans because the Company has no obligation beyond the payment of contributions to private insurers. Ongoing contribution payments are reported as an expense for the period concerned.

The employer's contribution to the German statutory pension insurance scheme in 2025 came to €21.3 million (2024: €22.0 million). In addition, a further €1.7 million (2024: €1.6 million) was paid for pension and direct insurance policies in connection with deferred compensation.

Defined benefit plans The DEUTZ Group maintains several defined benefit pension plans in Germany and abroad. The largest pension plans are in Germany and the UK. Together, they accounted for 93% of defined benefit obligations (December 31, 2024: 95%) and 100% of plan assets (December 31, 2024: 100%).

In all, there are six defined benefit pension plans in Germany. While five of the plans are employer funded, the sixth is a deferred compensation plan. As a rule, the employer-funded pension plans comprise a general employee retirement pension for life, a disability pension, and a surviving dependants' pension. The level of the monthly pension paid under the employer-funded pension plans is based on earned income and years of service in the DEUTZ Group. Since the pension plans were frozen in 1995, employees can no longer acquire any further employer-funded pension entitlements. In the case of the deferred compensation plan, the Company has taken out a reinsurance policy with a life insurance company based on the amount of salary contribution and undertakes to pay a pension based on the guaranteed capital that has been underwritten. In Germany, occupational pension schemes are

governed by the Occupational Pensions Act (BetrAVG), according to which the DEUTZ Group has sole responsibility for meeting the requirements of defined benefit pension plans. The normal retirement age is 67.

The existing defined benefit plan in the UK entitles pension beneficiaries to a pension that depends on the level of their basic salary and the number of eligible years of service. However, since the pension plans were frozen in 2016, no employees can now acquire any further employer-funded pension entitlements. The retirement age is between 62 and 65. The annual pension paid is between 1/55 and 1/60 of the highest basic salary received in the final five years of service for each eligible year of service. The pension plan is primarily funded by converting pension beneficiaries' basic salary and employer contributions into plan assets. The DEUTZ Group undertakes to compensate for any shortfall in the scheme. Every year, the amount for which the Company is liable is determined with reference to a report by an independent pensions actuary.

The pension plan including the plan assets in the UK must be administered by independent trustees in accordance with UK legislation. The investment policy for the pension plan specifies that the accumulated plan assets must be invested in such a way as to strike the optimum balance between equity instruments and debt instruments from a risk and reward perspective in the current market situation. This investment strategy is specifically intended to counteract capital market risk and the associated risk of mismatches between the Company's payment obligations arising from the pension plan on the one hand and the plan assets on the other.

In connection with the defined benefit pension plans, the Group is exposed to capital market risk arising from its investment of the plan's assets in addition to general actuarial risks such as interest-rate risk, the risk of rising annuity rates, and longevity risk.

Funded status of pension plans

€ million	2025	2024
Pension plans in Germany		
Present value of defined benefit obligation	76.9	87.1
Fair value of plan assets	4.0	4.7
Deficit (net liability)	72.9	82.4
Pension plans in the UK		
Present value of defined benefit obligation	15.3	16.7
Fair value of plan assets	15.3	16.7
Deficit (net liability)	0.0	0.0
Other pension plans		
Present value of defined benefit obligation	4.2	4.7
Fair value of plan assets	0.0	0.0
Deficit (net liability)	4.2	4.7
Total		
Present value of defined benefit obligation	96.4	108.5
Fair value of plan assets	19.3	21.4
Deficit (net liability)	77.1	87.1

The following table shows the breakdown of separate groups to which the pension plans in Germany and the UK have obligations to pay benefits:

Breakdown of defined benefit obligation by beneficiary

€ million	2025	2024
Pension plans in Germany		
Active members	4.6	6.1
Deferred members	0.5	0.9
Pensioners	71.8	80.1
Present value of defined benefit obligation	76.9	87.1
Pension plans in the UK		
Active members	0.0	0.0
Deferred members	8.1	8.5
Pensioners	7.2	8.2
Present value of defined benefit obligation	15.3	16.7

The change in the net liability for defined benefit pension plans is shown in the table below:

Change in the net liability for defined benefit pension plans		
€ million	2025	2024
Net liability as at Jan. 1	87.1	98.4
Amounts recognized in the income statement	2.9	2.9
Amounts recognized in other comprehensive income	-2.2	-5.2
Employer contributions	0.0	0.0
Employee contributions	0.0	-0.4
Pension benefits paid	-10.3	-9.7
Effects of changes in foreign exchange rates	-0.4	0.1
Business combinations	0.0	1.0
Net liability as at Dec. 31	77.1	87.1

The following table shows the change in the present value of the defined benefit obligation:

Change in present value of defined benefit obligation		
€ million	2025	2024
Defined benefit obligation as at Jan. 1	108.5	120.4
Service cost	0.1	0.0
Employee contributions	0.0	0.0
Interest expense	3.7	4.0
Unrecognized past service cost	0.0	0.0
Remeasurements	-2.9	-6.8
thereof: experience adjustments	-1.1	-5.2
thereof: actuarial (gains)/ losses arising from changes in biometric assumptions	0.0	0.0
thereof: actuarial (gains)/ losses arising from changes in financial assumptions	-1.8	-1.6
Effects of changes in foreign exchange rates	-1.3	1.0
Pension benefits paid	-11.7	-11.1
Business combinations	0.0	1.0
Defined benefit obligation as at Dec. 31	96.4	108.5

As at December 31, 2025, the weighted average life of the defined benefit obligation in Germany was 6.9 years (December 31, 2024: 7.2 years).

The following two tables show the change in the fair value of the plan assets and the breakdown of the plan assets:

Change in fair value of plan assets		
€ million	2025	2024
Fair value of plan assets at Jan. 1	21.4	22.0
Employer contributions	0.0	0.0
Employee contributions	0.0	0.4
Interest income	0.9	1.1
Return on (+)/expenses (-) from plan assets (excl. interest income)	0.2	-1.6
Pensions paid from plan assets	-1.4	-1.4
Currency translation differences	-0.9	0.9
Other	-0.9	0.0
Fair value of plan assets at Dec. 31	19.3	21.4

Breakdown of plan assets		
€ million	2025	2024
Cash and cash equivalents	0.9	1.8
Equity instruments (by region)		
UK	0.0	0.0
Europe (without UK)	0.0	0.0
North America	0.0	0.0
Japan	0.0	0.0
Asia-Pacific	0.0	0.0
Other	0.0	0.0
	0.0	0.0
Assets held by insurance company	15.0	14.9
Debt instruments measured		
Government bonds	0.0	0.0
Corporate bonds	0.0	0.0
	0.0	0.0
Reinsurance cover	3.4	4.7
Total	19.3	21.4

Market prices were available for all the equity and debt instruments because they are traded in active markets.

In view of the objective of protecting capital, the investment strategy is primarily aimed at achieving a balanced regional allocation for the investments and a combination of equity instruments and debt instruments.

The breakdown of the portions of the net pension cost recognized in current income and expense for 2025 and 2024 is as follows:

Net pension cost		
€ million	2025	2024
Service Costs	0.1	0.0
Unrecognized past service cost	0.0	0.0
Net interest cost	2.8	2.9
Total	2.9	2.9

The measurement of pension obligations is based on actuaries' reports. The tables below show the main actuarial assumptions underlying the calculations for the material defined benefit obligations in Germany and the UK as at the balance sheet date. The discount rates and pension increases are reported in the form of weighted averages.

Actuarial assumptions		
%	2025	2024
Discount rate		
Germany	3.60	3.34
UK	5.60	5.50
Rate of pension increase		
Germany	2.00	2.00
UK	2.40	2.50

Mortality tables	
Germany	Heubeck 2018G mortality tables
UK	S1 YoB (standard mortality tables for self-administered plans taking into account future changes in mortality)

The following sensitivity analysis for each material actuarial assumption as at the balance sheet date shows the impact that potential changes in the assumptions at the relevant balance sheet date would have on the material defined benefit obligations in Germany and the UK.

Sensitivity analysis		
2025	Impact on defined benefit obligation of	
€ million	1% rise	1% fall
in discount rate		
Germany	-4.5	5.1
UK	-1.8	1.9
in rate of pension increase		
Germany	5.0	-4.5
UK	0.9	-1.2

Sensitivity analysis		
2024	Impact on defined benefit obligation of	
€ million	1% rise	1% fall
in discount rate		
Germany	-5.5	5.9
UK	-1.9	2.0
in rate of pension increase		
Germany	5.9	-5.6
UK	1.3	-1.2

Furthermore, we also believe it is possible that the life expectancy of eligible DEUTZ employees will change. If the life expectancy of eligible DEUTZ employees had risen by one year, the increases in the defined benefit obligation arising from the pension plans in Germany and the UK as at December 31, 2025 would have been €7.8 million and €0.4 million respectively (December 31, 2024: €8.7 million and €0.4 million respectively).

The sensitivity calculations are based on the average duration of the pension obligations calculated as at December 31, 2025. In order to highlight the impact on the present value of the defined benefit obligations calculated as at December 31, 2025 separately, the calculations were carried out for each of the actuarial parameters deemed to be material and capable of changing.

Future cash flows For 2026, the DEUTZ Group is not anticipating any payments into pension plans (2025: none).

The following table shows the expected future benefit payments arising from defined benefit obligations:

Expected benefit payments	
€ million	Dec. 31, 2025
2026	10.1
2027	9.4
2028	8.7
2029	8.2
2030	7.7
2031-2035	31.9

22. Other provisions

The following table gives a breakdown of other provisions:

€ million	Dec. 31, 2025			Dec. 31, 2024		
	Total	Residual term of up to 1 year	Residual term of more than 1 year	Total	Residual term of up to 1 year	Residual term of more than 1 year
Warranties	39.9	29.6	10.3	45.9	36.7	9.2
Obligation to employees	43.8	30.1	13.7	36.9	25.9	11.0
Restructuring	5.5	5.0	0.5	0.6	0.2	0.4
Onerous contracts	3.8	3.8	0.0	8.9	8.9	0.0
Other	17.0	12.5	4.5	16.7	10.8	5.9
Total	110.0	81.0	29.0	109.0	82.5	26.5

The majority of the outflow of cash in connection with the provisions is expected to have materialized by the end of 2026.

Other provisions are recognized at their settlement value calculated as at the balance sheet date and take account of projected cost increases. Non-current provisions were discounted at a rate of 3.5% (December 31, 2024: 4.6%). Provisions for obligations to employees include provisions for pre-retirement part-time employment. The non-current portion was discounted at 2.39%, or 2.58% in non-contractually agreed cases (December 31, 2024: 2.58% or 2.92%).

Other provisions cover all identifiable risks and other contingent liabilities. The main items are the cost of warranties and potential risks, provisions for obligations to employees, and onerous contracts. Warranty provisions are recognized for repair or replacement obligations in the event of manufacturing defects or other product defects, free

reworking or replacements, purchase price reductions, and compensation for non-performance; they also include general provisions recognized for revenue in respect of which the warranty period had not expired by the reporting date. Provisions for obligations to employees predominantly consist of provisions for early retirement, pre-retirement part-time employment, bonuses, incentives, personnel obligations under share-based payment programs, and profit-sharing. Restructuring provisions primarily relate to obligations under the Transform for Growth restructuring program. Onerous contracts include losses in relation to orders on hand. The other provisions essentially relate to obligations arising from variable purchase price components of the acquisitions that will only fall due when the acquiree has reached certain targets.

The following table shows the changes to other provisions in 2025:

€ million	Warranties	Obligation to employees	Restructuring	Onerous contracts	Other	Total
Jan. 1, 2025	45.9	36.9	0.6	8.9	16.7	109.0
Additions	15.2	38.4	5.1	0.0	13.8	72.5
Currency translation differences	-0.8	-0.4	0.0	0.0	-1.4	-2.6
Amounts utilized	-18.7	-31.5	0.0	0.0	-9.2	-59.4
Reversals	-4.6	-0.2	-0.2	-5.1	-3.5	-13.6
Additions to basis of consolidation	2.5	0.6	0.0	0.0	0.6	3.7
Effect of changes in interest rates	0.4	0.0	0.0	0.0	0.0	0.4
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Dec. 31, 2025	39.9	43.8	5.5	3.8	17.0	110.0

23. Financial debt

€ million	Dec. 31, 2025				Dec. 31, 2024			
	Total	Residual term up to 1 year	Residual term of 1–5 years	Residual term of more than 5 years	Total	Residual term up to 1 year	Residual term of 1–5 years	Residual term of more than 5 years
Liabilities to banks	253.8	193.6	59.2	1.0	200.3	129.0	0.0	71.3
Lease liabilities	78.1	19.2	37.9	21.0	86.9	26.8	34.2	25.9
Other financial debt	1.0	0.0	0.6	0.4	0.4	0.1	0.2	0.1
Total	332.9	212.8	97.7	22.4	287.6	155.9	34.4	97.3

Liabilities to banks In May 2022, the total volume of the revolving line of credit provided by a consortium of banks was increased from €160 million to €250 million. The line of credit has a floating interest rate and is unsecured. In May 2024, an extension option was utilized, which extended the term to May 2, 2029. The syndicated working capital facility had been drawn down in an amount of €94.0 million as at December 31, 2025.

The lending arrangements include an ESG component derived from our sustainability strategy. A continuous improvement in the recordable incident rate and a reduction in CO₂ emissions by 2028 were the specific key performance indicators that were agreed.

DEUTZ also has access to five existing bilateral credit lines with a total value of €140 million. These five credit lines are also unsecured, floating-rate facilities and fall due on December 31, 2025. The bilateral lines had been drawn down in an amount of €55 million as at December 31, 2025. DEUTZ has short-term lines of credit at its disposal too.

At the start of August 2024, DEUTZ utilized a loan that was agreed for the specific purpose of funding the takeover of sales and service for selected off-highway engines from Rolls-Royce Power Systems. The loan has a volume of €90 million. As at December 31, 2025, €18.0 million thereof had been repaid on schedule.

As part of its funding agreements, DEUTZ has undertaken to comply with certain financial and non-financial covenants. However, there is a fundamental risk of these covenants being breached if there is a dramatic deterioration in the general economic situation. The reasons for such an economic downturn could include the fallout from geopolitical crises and shifts in trade policy that result in tariff changes. Should such a risk materialize, DEUTZ would approach its funding partners in advance in order to negotiate the necessary waiver and to enable further amounts to be drawn down under the syndicated loan.

In addition, our Chinese subsidiary DEUTZ Shanghai has a credit line of CNY 220 million with the HSBC Shanghai branch.

Lease liabilities The reduction in lease liabilities mainly arose from a retrospective agreement with a lessor to substantially reduce lease payments. Further details about the right-of-use assets and lease liabilities recognized can be found in Note 25 in these notes to the financial statements.

Other financial debt Other financial debt comprises government loans.

The fair value of financial debt is described in Note 26.

The weighted average interest rates (after hedging) of the financial debt were:

%	Dec. 31, 2025	Dec. 31, 2024
Liabilities to banks	3.29	4.44
Lease liabilities	4.25	4.31
Other financial debt	2.10	0.00

The liabilities to banks were denominated in euros or renminbi. Other financial debt was denominated in euros. Most of the current and non-current lease liabilities were denominated in euros, US dollars, or Chilean pesos.

The level of financial debt changed as follows over the course of 2025:

€ million	Jan. 1, 2025	Non-cash changes					Dec. 31, 2025
		Cash changes	Acquisition of companies	Exchange rate effects	Fair value changes	Accrued interest and other changes	
Non-current financial debt							
Liabilities to banks	71.3	-17.2	6.1	0.0	0.0	0.0	60.2
Lease liabilities	60.1	0.0	2.0	-0.9	0.0	-2.3	58.9
Other financial debt	0.3	-5.9	6.6	0.0	0.0	0.0	1.0
Total non-current financial debt	131.7	-23.1	14.7	-0.9	0.0	-2.3	120.1
Current financial debt							
Liabilities to banks	129.0	63.9	2.6	-1.9	0.0	0.0	193.6
Lease liabilities	26.8	-20.5	0.8	-1.0	0.0	13.1	19.2
Other financial debt	0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Total current financial debt	155.9	43.3	3.4	-2.9	0.0	13.1	212.8
Total financial debt	287.6	20.2	18.1	-3.8	0.0	10.8	332.9

€ million	Jan. 1, 2024	Non-cash changes					Dec. 31, 2024
		Cash changes	Acquisition of companies	Exchange rate effects	Fair value changes	Accrued interest and other changes	
Non-current financial debt							
Liabilities to banks	0.0	71.3	0.0	0.0	0.0	0.0	71.3
Lease liabilities	65.6	0.0	0.5	0.5	0.0	-6.5	60.1
Other financial debt	0.3	0.0	0.0	0.0	0.0	0.0	0.3
Total non-current financial debt	65.9	71.3	0.5	0.5	0.0	-6.5	131.7
Current financial debt							
Liabilities to banks	171.5	-43.2	0.0	0.6	0.0	0.1	129.0
Lease liabilities	15.9	-18.0	0.2	0.4	0.0	28.3	26.8
Other financial debt	0.2	-0.2	0.0	0.0	0.0	0.1	0.1
Total current financial debt	187.6	-61.4	0.2	1.0	0.0	28.5	155.9
Total financial debt	253.5	9.9	0.7	1.5	0.0	22.0	287.6

24. Trade payables and other liabilities

€ million	Dec. 31, 2025	Dec. 31, 2024
Trade Payables	260.7	235.0
Other liabilities		
Personnel-related liabilities	18.8	15.1
Price reduction liabilities	23.9	22.2
Liabilities to customers and factors	28.4	14.6
Advances received	6.9	6.3
Liabilities to investments	2.6	4.0
Liabilities arising from other taxes	16.2	8.1
Derivative financial instruments	0.3	2.9
Sundry other liabilities	40.4	36.4
Total	137.5	109.6

Trade payables included liabilities of €9.1 million under a supplier finance arrangement (December 31, 2024: €8.8 million). Under the supplier finance arrangement, the financial services provider pays the invoices from certain suppliers ahead of the invoice due date. On the invoice due date, DEUTZ AG is charged for the invoice amounts due. To this end, longer payment terms have been agreed with suppliers that are comparable to the payment terms for suppliers not covered by supplier finance arrangements. DEUTZ AG guarantees that the liabilities have arisen legally, are legally enforceable in the disclosed amount, are free of other encumbrances and third-party rights, and are not disputed. No other security is provided to the financial services provider. Furthermore, DEUTZ AG does not acknowledge any debt toward the financial services provider. In the reporting period, suppliers received payments of €7.6 million (December 31, 2024: €7.7 million) from the financial services provider under the supplier finance arrangement. These continue to be recognized as trade payables. The due dates for the liabilities under the supplier finance arrangement in the reporting period mostly ranged from 125 days to 217 days (2024: 128 to 217 days). The due dates for comparable trade payables not covered by a supplier finance arrangement ranged from 30 days to 90 days.

The other liabilities include current contract liabilities arising from contracts with customers, including volume discounts:

€ million	Dec. 31, 2025	Dec. 31, 2024
Price reduction liabilities	23.9	22.2
Advances received	6.9	6.3
Total	30.8	28.5

In the reporting period, revenue of €3.9 million was recognized that, at the beginning of the reporting period, had been included as advances received in the balance of contract liabilities (2024: €6.6 million).

The Company had unfulfilled performance obligations amounting to €0.2 million as at the reporting date (December 31, 2024: €0.1 million).

Notes to the cash flow statement

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, short-term deposits, and credit balances held with banks.

No dividends were received in the reporting period. In 2024, cash flow from operating activities contained dividend income of €1.3 million.

Investing activities amounted to €243.8 million and predominantly related to cash payments for the acquisitions of UMS Holding B.V., headquartered in Oss (Netherlands), SOBEEK Group GmbH, headquartered in Hirschberg (Germany), and Double Down Heavy Repair LLC, headquartered in Elko, Nevada (USA).

Cash flow from financing activities included the dividend paid to the shareholders of DEUTZ AG for 2024, amounting to €23.6 million.

Cash and cash equivalents had risen by €15 million to €63.5 million as at December 31, 2025 (December 31, 2024: €62.0 million).

Segment reporting

With effect from January 1, 2025, DEUTZ put a new reporting structure in place and introduced the Engines & Services and Solutions segments. The following table provides an overview of the reportable segments in the DEUTZ Group for 2025 and 2024. The segment figures for the prior year have been adjusted to reflect the new reporting structure.

2025	DEUTZ Engines & Services	DEUTZ Solutions	Total segments	Reconciliation	DEUTZ Group
€ million					
External revenue	1,861.0	182.8	2,043.8	0.0	2,043.8
Intersegment revenue	0.0	0.0	0.0	0.0	0.0
Total revenue	1,861.0	182.8	2,043.8	0.0	2,043.8
Research and development costs	71.8	22.3	94.1	0.0	94.1
Depreciation and amortization	86.5	9.1	95.6	0.0	95.6
Impairment of property, plant and equipment and intangible assets	0.0	0.0	0.0	0.0	0.0
Reversals of impairment losses on property, plant and equipment and intangible assets	0.0	0.0	0.0	0.0	0.0
Profit/loss on equity-accounted investments	3.1	0.2	3.3	0.0	3.3
Income from the reversal of provisions	13.6	0.0	13.6	0.0	13.6
Adjusted EBIT (EBIT before exceptional items)	130.0	-18.9	111.1	1.2	112.3

2024	DEUTZ Engines & Services	DEUTZ Solutions	Total segments	Reconciliation	DEUTZ Group
€ million					
External revenue	1,723.6	90.1	1,813.7	0.0	1,813.7
Intersegment revenue	0.0	0.0	0.0	0.0	0.0
Total revenue	1,723.6	90.1	1,813.7	0.0	1,813.7
Research and development costs	70.1	30.3	100.4	0.0	100.4
Depreciation and amortization	92.0	1.4	93.4	0.0	93.4
Impairment of property, plant and equipment and intangible assets	10.6	0.0	10.6	0.0	10.6
Reversals of impairment losses on property, plant and equipment and intangible assets	0.0	0.0	0.0	0.0	0.0
Profit/loss on equity-accounted investments	0.7	0.2	0.9	0.0	0.9
Income from the reversal of provisions	2.8	0.0	2.8	0.0	2.8
Adjusted EBIT (EBIT before exceptional items)	103.2	-25.4	77.8	-1.1	76.7

Reconciliation from overall profit of the segments to net income

€ million	2025	2024
Overall profit of the segments	111.1	77.8
Consolidation	1.2	-1.1
Operating profit (EBIT before exceptional items)	112.3	76.7
Exceptional items	-38.4	-34.8
EBIT	73.9	41.9
Financial income, net	-19.2	-17.2
Net income before income taxes	54.7	24.7
Income taxes	-0.6	17.3
Net income of continuing operations	54.1	42.0

In 2025, there were exceptional items amounting to an expense of €38.4 million. The following table provides a breakdown of the main items:

DEUTZ Group: Exceptional items

€ million	2025	2024
Restructuring program	-24.5	-1.9
Costs of strategic projects / acquisitions	-10.5	-18.9
Changes in management	-3.8	-2.5
Other effects	0.4	-11.5
Total	-38.4	-34.8

External segment reporting is based on intragroup corporate management and internal financial reporting and, in line with the nature of the products and services offered, covers the following reportable operating segments:

DEUTZ Engines & Services This segment encompassed the development, production, distribution, maintenance, and servicing of diesel and gas engines, including the nascent defense business, as well as the equity-accounted joint venture Hunan DEUTZ Power Co., Ltd., Changsha (China), and the business of HJS and the SOBEK Group. This German company is a leading manufacturer of powerful electric drives for specialized high-tech application areas, such as motorsports, aerospace (especially drones), and healthcare technology.

The business of the subsidiary Blue Star Power Systems, Inc., North Mankato (USA), which was acquired in 2024, was assigned to the DEUTZ Energy business unit as part of the Solutions segment as at January 1, 2025. In 2024, this business had initially been assigned to the Classic segment. DEUTZ Power Solution (Xuzhou) Co., Ltd., Xuzhou (China) – equity-accounted until the end of August 2025 and fully consolidated from September 2025 – and the equity-accounted joint venture DEUTZ Zhongguancun Hydrogen Technology (Beijing) Co., Ltd., Beijing (China), are also assigned to the DEUTZ Solutions segment. The activities that had been assigned to the former DEUTZ Classic segment were assigned to the DEUTZ Engines & Services segment from January 1, 2025

onward. The only exception is DEUTZ Power Solution (Xuzhou) Co., Ltd., which has been assigned to a different segment.

DEUTZ Solutions In 2025, this segment encompassed alternative drive business that goes beyond engine manufacturing and service. It was subdivided into the two business units DEUTZ NewTech and DEUTZ Energy. DEUTZ NewTech comprises e-products, hydrogen internal combustion engines, battery management specialist Futavis, the UMS business (a specialist in the electrification of off-highway and defense vehicles), and the associated service business. DEUTZ Energy focuses on decentralized energy supply. It encompasses the business of US genset manufacturer Blue Star Power Systems, the genset business of DEUTZ subsidiary MAGIDEUTZ, and the investment in Chinese company DPX, whose main business fields are the sale of diesel engines and the manufacture and sale of gensets.

The designation of a business area as an operating segment is based on the internal reporting by segment regularly used by the Board of Management to monitor performance and allocate resources.

The measurement principles applied to the DEUTZ Group's segment reporting are based on the IFRS principles applied in the consolidated financial statements. The Board of Management, in its capacity as the senior decision-making body, assesses the performance of the segments in terms of their adjusted EBIT (EBIT before exceptional items). If entities included in the consolidated financial statements using the equity method are directly attributable to a particular segment, the relevant share of the net income or loss for the period is reported under that segment. Finance costs, financial income, and income taxes are reported for the DEUTZ Group as a whole and are not allocated to individual operating segments. External revenue constitutes the revenue that the segments generate from their customers. Revenue generated between segments – where relevant – is reported as intersegment revenue. Transfers between segments are reported at fair value.

Information about products and services

€ million	2025	2024
Engines	1,316.1	1,223.2
Service	544.9	500.4
DEUTZ Engines & Services	1,861.0	1,723.6
DEUTZ Solutions	182.8	90.1
Total	2,043.8	1,813.7

Geographical information about external revenue²⁷⁶

€ million	2025	2024
Germany	446.8	344.8
Outside Germany	1,597.0	1,468.9
thereof Rest of Europe	685.0	621.7
thereof Middle East	35.0	34.0
thereof Africa	48.1	42.4
thereof Americas	579.0	527.0
thereof Asia-Pacific	138.2	134.3
thereof China	111.7	109.5
Total	2,043.8	1,813.7

Of the European countries outside Germany, Switzerland accounted for €143.7 million in the reporting year (2024: €155.5 million), France for €121.6 million (2024: €108.8 million), and Italy for €119.1 million (2024: €95.3 million).

No customer accounted for 10% or more of total revenue in 2025 or 2024.

Geographical information about non-current assets

€ million	Dec. 31, 2025	Dec. 31, 2024
Germany	644.1	491.6
Outside Germany	310.0	273.6
Total	954.1	765.2

The non-current assets comprise property, plant and equipment, goodwill, miscellaneous intangible assets, and equity-accounted investments. They are presented by location of the consolidated entity.

Other information

25. Leases

The DEUTZ Group has leases in which it acts as lessee for land and buildings (used for office space, warehousing, and manufacturing), technical equipment and machines, office furniture and equipment, and vehicles. It has also entered into short-term leases with a total term of no more than twelve months and leases where the value of the underlying assets does not exceed €5,000. A practical expedient has been applied to these leases, as a result of which the lease payments under these leases are recognized as an expense on a straight-line basis over the term of the lease. The DEUTZ Group also has leases in which it acts as lessor. These leasing activities predominantly relate to the renting out of parts of the Group's premises as office space. The overall volume of lease income is insignificant.

The following table shows the carrying amounts of the right-of-use assets and changes over the reporting period.

Right-of-use assets

€ million	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture- and fixtures	Advances paid and construction in progress	Total
Balance at Jan. 1, 2025	55.6	9.6	10.0	—	75.2
Currency translation differences	-1.4	-0.2	0.2	—	-1.4
Additions	15.4	0.3	4.0	—	19.7
Disposals	-0.1	0.0	-0.2	—	-0.3
Company mergers	0.3	0.0	0.0	—	0.3
Reclassifications	0.2	-1.3	-0.1	—	-1.2
Depreciation and impairment	-12.1	-2.3	-3.7	—	-18.1
Balance at Dec. 31, 2025	57.9	6.1	10.2	—	74.2

²⁷⁶ The revenue generated from external customers is assigned to the individual countries on the basis of the home country of each customer.

Right-of-use assets

€ million	Land, leasehold rights and buildings	Technical equipment and machines	Other equipment, furniture- and fixtures	Advances paid and construction in progress	Total
Balance at Jan. 1, 2024	55.6	8.5	6.7	—	70.8
Currency translation differences	0.3	0.1	0.0	—	0.4
Additions	11.8	6.1	8.1	—	26.0
Disposals	-0.2	-1.9	-1.2	—	-3.3
Reclassifications	0.0	0.0	0.0	—	0.0
Depreciation and impairment	-11.9	-3.2	-3.6	—	-18.7
Balance at Dec. 31, 2024	55.6	9.6	10.0	—	75.2

In the reporting period, the total cash outflow for leases (including payments for short-term leases and low-value leased assets) was €24.7 million (2024: €22.1 million).

The following amounts were recognized in profit or loss in 2025:

€ million	2025	2024
Depreciation of right-of-use assets	18.1	18.7
Interest paid on lease liabilities	3.5	3.7
Expense for short-term leases	0.5	0.2
Expense for lease with low-value assets	0.2	0.2
Total amount recognized in profit or loss	22.3	22.8

A number of leases contain extension and/or termination options. These options provide the flexibility to adjust the leasing portfolio in the event of changed business requirements. Assessing the probability of the options being exercised requires significant judgments to be made. If, taking all facts and circumstances into account, the exercising of the options is regarded as highly probable, the options are deemed exercisable. In the event that facts or circumstances change, the probability of the options being exercised has to be reassessed. Until then, the liability recognized is deemed the best indicator of the future cash outflows. Details of future cash outflows in connection with leasing are presented in Note 26.

As at the balance sheet date, there were leases that were signed but not yet recognized with future payment obligations of €1.4 million in the technical equipment and machines asset class and of €0.8 million in the other equipment, furniture and fixtures asset class. Moreover, there were no unrecognized residual value guarantees that may give rise to possible cash payments in the future. The leases entered into do not contain any clauses that restrict DEUTZ or require it to comply with certain key financial performance indicators. There were no variable lease payments in the reporting period. Furthermore, no right-of-use assets were subleased and no sale and leaseback transactions were entered into. The balance of short-term leases was negligible as at December 31, 2025. The

expense for short-term leases amounted to €0.5 million in the reporting period (2024: €0.2 million). An overview of the terms of the lease liabilities is shown in Note 23.

Extension options that were not factored into the measurement of lease liabilities, because it is not reasonably certain that they will be exercised, could result in future cash outflows of €9.4 million (2024: €14.0 million). These are predominantly extension options of up to ten years on property leases. Termination options that were not factored into the measurement of lease liabilities because it is not reasonably certain that they will be exercised did not result in any termination penalties in 2025 or 2024.

26. Financial risk management and additional information on capital management

Owing to its global business operations, the DEUTZ Group is exposed to various financial risks that can arise from adverse movements and trends in the international sales, procurement, interest-rate, and foreign-exchange markets. Information about the principles of risk management with regard to financial instruments can be found in the relevant section of the risk report in the DEUTZ Group's combined management report.

Liquidity risk Prudent liquidity management includes the holding of a sufficient reserve of cash and cash equivalents, the option of obtaining funding through bank loans, and the ability to issue short-term and long-term capital market instruments. Because the business environment is constantly changing, the Treasury department aims to ensure that it has sufficient unused credit lines at its disposal at all times.

The management of liquidity risk in the DEUTZ Group has a number of components: annual planning with interim updates, rolling four-week planning updated weekly, and monthly planning updated monthly up to the end of the financial year. Liquidity risk is also assessed in the regular meetings of the Finance Committee.

In order to ensure sufficient liquidity, DEUTZ has at its disposal a syndicated, revolving cash credit line amounting to €250 million that runs until May 2029 as well as five bilateral credit lines for a total amount of €140 million that run until December 2026. As part of the loan agreements, the Company is required to comply with certain covenants.

The liquidity analysis also provides information about contractually agreed interest payments and capital repayments in connection with financial liabilities as at the balance sheet date. As far as the utilization of revolving credit facilities was concerned, it was assumed that the amounts already drawn down by the balance sheet date would continue to apply until the facilities expire.

The supplier finance arrangements do not pose a heightened liquidity risk because the extent of the liabilities is limited and DEUTZ does not incur any additional fees for the payment of the trade payables by the financial services provider.

Dec. 31, 2025	2026 cash payments	2027 – 2030 cash payments	>2030 cash payments	Total
€ million				
Lease liabilities	-22.1	-44.1	-24.1	-90.3
Primary financial instruments	-196.4	-61.3	-1.2	-258.9
Derivative financial instruments	-0.4	0.0	0.0	-0.4
Currency derivatives				
thereof settled gross: cash payments	-20.0	0.0	0.0	-20.0
thereof settled gross: cash receipts	19.7	0.0	0.0	19.7
Interest rate derivatives				
Presentation of net cash flow	-0.1	0.0	0.0	-0.1
Dec. 31, 2024	2025 cash payments	2026 – 2029 cash payments	>2029 cash payments	Total
€ million				
Lease liabilities	-30.1	-43.2	-27.3	-100.6
Primary financial instruments	-132.5	-77.9	0.0	-210.4
Derivative financial instruments	-2.8	0.0	0.0	-2.8
Currency derivatives				
thereof settled gross: cash payments	-72.1	0.0	0.0	-72.1
thereof settled gross: cash receipts	69.1	0.0	0.0	69.1
Interest rate derivatives				
Presentation of net cash flow	0.2	0.0	0.0	0.2

Credit risk Credit risk arises in relation to cash and cash equivalents, to the contractual cash flows from debt instruments measured at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss, and to derivatives with a positive fair value.

There are no significant concentrations of potential credit risk in the DEUTZ Group. With regard to cash and cash equivalents, DEUTZ works only with selected banks with at least an investment-grade rating. The risk from bad debts is restricted by constant monitoring and regular analysis of receivables and their breakdown. Receivables are to a large extent covered by credit insurance. Further measures, such as guarantees and creditworthiness checks, are used to protect against credit risk. The Group has also put in place procedures and guidelines to ensure that products and services are only sold to customers who have a satisfactory payment record. The

maximum credit risk exposure is limited to the carrying amount in the case of trade receivables and other financial assets such as cash and cash equivalents, available-for-sale financial assets, and derivative financial instruments. Credit risk in connection with financial instruments is limited by careful selection of counterparties.

As at December 31, 2025, the bulk of the DEUTZ Group's trade receivables were insured with the COFACE Group. There is usually an obligation to the trade credit insurance association (WKV) or, where applicable, the German government's export credit guarantee scheme (APG) to meet defaults on the receivables unless they are secured by letters of credit confirmed by a bank or similar instruments. DEUTZ does not produce any standardized credit rating for its customers itself but usually sets the maximum customer exposure in accordance with the level of cover provided by the credit insurance agency. DEUTZ did not receive any collateral in the form of payment guarantees for foreign trade receivables in the reporting year or in the comparative period.

Impairment of financial assets The model of expected credit losses is applied to the following types of financial asset in the Group:

1. Trade receivables
2. Debt instruments measured at amortized cost
3. Debt instruments measured at fair value through other comprehensive income

Re 1: Trade receivables The Group applies the simplified approach in line with IFRS 9 to calculate the expected credit losses. Under this approach, the lifetime expected credit losses are calculated for all unsold trade receivables measured at amortized cost. Expected losses on receivables not sold under factoring agreements and not insured, as well as the excess on insured receivables, are calculated using the current external credit ratings of the relevant debtors, taking into account the Group's own experience. The individual receivables are initially assigned to one of two categories on the basis of defined criteria such as credit rating or age structure. Undisputed receivables with a low to medium credit risk and due in up to 90 days are assigned to category 1. For category 1 receivables, which according to the defined criteria have a lower credit risk, the default rates assigned to the credit ratings are used to calculate the expected losses. Category 2 receivables have a higher level of risk according to the criteria and a specific value adjustment is recognized.

Impairment losses on trade receivables that were identified using this method were as follows:

Dec. 31, 2025	Category 1	Category 2	Total
€ million			
Gross carrying amount of trade receivables	164.2	26.6	190.8
Impairment	0.7	4.1	4.8
Dec. 31, 2024	Category 1	Category 2	Total
€ million			
Gross carrying amount of trade receivables	177.5	5.2	182.7
Impairment	0.8	4.8	5.6

The following tables show the changes in impairment losses on trade receivables in 2025 and 2024:

€ million	
Jan. 1, 2025	5.6
Changes to basis of consolidation	0.1
Additions	2.0
Utilized	-1.8
Reversals	-1.1
Dec. 31, 2025	4.8
€ million	
Jan. 1, 2024	5.4
Changes to basis of consolidation	0.1
Additions	1.9
Utilized	-0.4
Reversals	-1.4
Dec. 31, 2024	5.6

Trade receivables are derecognized when it is reasonable to assume that they are no longer realizable. A debtor refusing to agree on a repayment plan with the Group or a debtor filing for insolvency are among the indicators that a receivable is unlikely to be realized.

Impairment losses on trade receivables are recognized in operating profit for the current period under »Write-downs of financial assets«. The same line item is used to recognize amounts received in subsequent periods that had previously been written down.

Re 2: Debt instruments measured at amortized cost Debt instruments measured at amortized cost comprise current individual items such as receivables due from factoring companies for receivables remaining after the sale of receivables or receivables due from suppliers as a result of discounts or bonuses. The receivables are tested for impairment on an individual basis. A debtor refusing to agree on a repayment plan with the Group or a debtor filing for insolvency are among the indicators that a receivable is unlikely to be realized. The risk of non-performance was very low, because the issuer is always able to meet its contractual payment obligations at short notice. The impairment loss identified in the reporting period was therefore insignificant. The existing impairment losses relate to receivables of €9.2 million due from investments as a result of older items (December 31, 2024: €9.2 million).

The following tables show the changes in impairment losses on debt instruments measured at amortized cost in 2025 and 2024:

€ million	Level 1	Level 3
Jan. 1, 2025	0.0	9.2
Additions	0.0	0.0
Utilized	0.0	0.0
Reversals	0.0	0.0
Dec. 31, 2025	0.0	9.2

€ million	Level 1	Level 3
Jan. 1, 2024	0.0	9.2
Additions	0.0	0.0
Utilized	0.0	0.0
Reversals	0.0	0.0
Dec. 31, 2024	0.0	9.2

The gross carrying amounts of debt instruments assigned to Level 1 amounted to €21.7 million as at December 31, 2025 (December 31, 2024: €20.0 million) and showed no signs of increased credit risk. The gross carrying amounts of debt instruments assigned to Level 3 amounted to €9.2 million as at December 31, 2025 (December 31, 2024: €9.2 million), all of which (€9.2 million) was written down (December 31, 2024: €9.2 million).

Re 3: Debt instruments measured at fair value through other comprehensive income The assets referred to here are units in a fund that is invested in exchange-traded debt instruments. Because their credit risk is classified as low, the calculation of the impairment loss is limited to the expected twelve-month credit losses. Senior management considers the criterion of »low credit risk« to be met in the case of direct or indirect investments in exchange-traded debt instruments that, as a minimum, have an investment-grade credit rating. The volume of such debt instruments was very small as at

December 31, 2025 and the credit risk was low. Consequently, no impairment losses were recognized.

Financial assets measured at fair value through profit or loss The DEUTZ Group is also exposed to credit risk arising from debt instruments and equity instruments measured at fair value through profit or loss. The debt instruments relate to trade receivables that have been earmarked for factoring. At the end of the reporting period, the maximum credit risk was limited to the carrying amounts of the debt instruments, which was €6.6 million in the case of the trade receivables. The equity instruments are units in a fund that is invested in publicly listed shares in order to hedge pension obligations. Here too, the maximum credit risk was limited to the carrying amount of the units (€2.4 million).

Currency risk The DEUTZ Group operates internationally and, consequently, is exposed to currency risk arising from fluctuating exchange rates, principally US dollar exchange rates. Exchange-rate risks are monitored under a centralized currency management system and mitigated by the use of hedging transactions. The Treasury department uses hedges, primarily currency forwards, to hedge currency risk emanating from the net position of estimated future cash flows in foreign currency. Between 50% and 80% of the net positions anticipated in the budget for the year are usually hedged.

DEUTZ also takes specific action to increase the volume of purchasing in US dollars; this enables the Company to counteract currency risk arising from sales invoiced in US dollars by creating a natural hedge. Risks arising from the translation of financial statements of subsidiaries prepared in currencies other than the euro are not hedged.

Currency sensitivity analysis The following tables illustrate the sensitivity – from a Group perspective – to a 10% rise or fall in the euro against the different currencies. The sensitivity analysis only takes into account outstanding monetary positions denominated in foreign currency and adjusts the period-end translation of those amounts to reflect a 10% change in the exchange rate. The positions involved include currency forward contracts that form part of an effective cash flow hedge, the purpose of which is to hedge fluctuations in foreign-currency payments and receipts caused by changes in exchange rates. Because hedging transactions are measured at fair value, changes in the exchange rates for the currencies underlying these transactions have an impact on the hedging reserve in other comprehensive income. Other positions involved are currency forward contracts that are no longer used as hedges. Changes in the exchange rates for the currencies underlying these financial instruments result in gains or losses due to restating these instruments at their fair value. Primary instruments (trade receivables and trade payables) denominated in foreign currency and outstanding as at the balance sheet date are also included in the sensitivity analysis. Changes in the exchange rates for the currencies

underlying these items result in gains or losses when they are marked to market.

The following tables show the impact on net income before income taxes and on equity if the euro rises or falls by 10% against relevant foreign currencies.

Cash payments and receipts are shown as net amounts under »Notional amounts«.

Euro rises by 10 percent

€ million

	Notional amounts	Impact on net income	notional amounts	Impact on equity
2025				
USD	73.7	-7.6	-30.0	-3.0
CNY	22.9	-2.1	0.0	0.0
MAD	6.3	-0.6	0.0	0.0

€ million

	Notional amounts	Impact on net income	notional amounts	Impact on equity
2024				
USD	132.8	-26.1	64.0	6.6
CNY	30.4	-2.8	0.0	0.0
MAD	7.9	-0.7	0.0	0.0

Euro falls by 10 percent

€ million

	Notional amounts	Impact on net income	notional amounts	Impact on equity
2025				
USD	73.7	7.3	-30.0	2.9
CNY	22.9	2.5	0.0	0.0
MAD	6.3	0.7	0.0	0.0

€ million

	Notional amounts	Impact on net income	notional amounts	Impact on equity
2024				
USD	132.8	13.0	64.0	-5.7
CNY	30.4	3.4	0.0	0.0
MAD	7.9	0.9	0.0	0.0

Interest-rate risk and sensitivity analysis The DEUTZ Group is exposed to risk from interest-rate changes, primarily in relation to floating-rate loans and other debt. To reduce this interest-rate risk, interest-rate swaps were entered into and designated as a cash flow hedge. The DEUTZ Group determines the existence of an economic relationship between the swaps and the hedged loans on the basis of the interest-rate benchmarks, terms to maturity, interest refix dates and due dates, and the nominal or notional amounts. Using the hypothetical derivative method, the DEUTZ Group assesses whether the swaps designated in a hedging relationship are effective in order to offset changes in the cash flows of the hedged loans.

The main causes of ineffectiveness in these hedges are as follows:

- The impact of the counterparty's and the Group's credit risk on the fair value of the swaps that is not reflected in the change in fair value of the hedged cash flows attributable to the change in interest rates
- Differences in the interest refix dates of the swaps and the loans

Because hedging transactions are measured at fair value, changes in interest rates have an impact on the hedge reserve in other comprehensive income. The following table shows the impact of interest-rate sensitivity of 100 basis points on net income before income taxes and on equity.

€ thousand interest rate change	€ thousand	
	impact on earnings	impact on equity
+100 bps	0.1	0.0
-100 bps	-0.1	0.0

Capital management The DEUTZ Group manages its capital with the primary objective of supporting business operations and ensuring the continued existence of the Company as a going concern over the long term. A healthy financial structure is necessary to assure the required flexibility in the provision of financial resources. At present, no credit rating has been set for DEUTZ. However, the DEUTZ Group is endeavoring to achieve a balance-sheet structure that meets the requirements for an investment-grade rating. Capital management therefore extends to both equity and debt.

DEUTZ is not subject to capital requirements under its Statutes. However, it is under an obligation toward the banks from which it has obtained loans to ensure that its ratio of net financial debt to equity does not exceed a certain level. This external requirement has been integrated into capital management and was met at all times.

As at the balance sheet date, the net financial position (cash and cash equivalents less interest-bearing financial debt) was minus €269.4 million, which equated to a year-on-year deterioration of €43.8 million (December 31, 2024: minus €225.6 million). In addition to the net financial position, free cash flow (defined as cash flow from operating activities and from investing activities less interest expense) is an essential part of active capital management and is used as a key figure to show changes in the liquidity situation. The free cash flow from continuing operations was minus €119.5 million in 2025 (2024: minus €153.1 million).

The equity ratio is another indicator used by the DEUTZ Group to monitor its capital. This indicator reflects the ratio of total assets to Group equity as reported on the consolidated balance sheet. As at December 31, 2025, the equity ratio for the DEUTZ Group remained at a high level of 51.3% (December 31, 2024: 50.4%), meeting all internal targets in full.

Financial instruments The following tables show the carrying amounts of the individual financial assets and liabilities for each separate category of financial instrument, reconciled to the corresponding balance sheet item.

Financial instruments (assets)

Dec. 31, 2025	Measured at amortized cost	Measured at fair value		Assets not within the scope of IFRS 9	
€ million		Through other comprehensive income	Through profit or loss	Carrying amount	Carrying amount on the balance sheet
Non-current financial assets	0.0	1.8	2.5	11.0	15.3
Current financial assets	271.2	0.3	7.1	32.5	311.1
Trade receivables	186.0	0.0	6.6	0.0	192.6
Other receivables and assets	21.7	0.3	0.5	32.5	55.0
Cash and cash equivalents	63.5	0.0	0.0	0.0	63.5

Financial instruments (assets)

Dec. 31, 2024	Measured at amortized cost	Measured at fair value		Assets not within the scope of IFRS 9	
€ million		Through other comprehensive income	Through profit or loss	Carrying amount	Carrying amount on the balance sheet
Non-current financial assets	0.0	3.0	3.8	11.6	18.4
Current financial assets	259.1	0.0	9.3	33.4	301.8
Trade receivables	177.1	0.0	9.3	0.0	186.4
Other receivables and assets	20.0	0.0	0.0	33.4	53.4
Cash and cash equivalents	62.0	0.0	0.0	0.0	62.0

**Financial instruments
(liabilities)**

Dec. 31, 2025	Measured at amortized cost	Measured at fair value		Liabilities not within the scope of IFRS 9	
€ million	Financial liabilities	Derivatives designated as hedging instruments (recognized in other comprehensive income/ loss)	Financial liabilities (recognized through profit or loss)	Carrying amount	Carrying amount on the balance sheet
Non-current financial liabilities	74.0	0.1	2.5	62.6	139.2
Financial debt	61.2	0.0	0.0	58.9	120.1
Lease liabilities	0.0	0.0	0.0	58.9	58.9
Miscellaneous financial debt	61.2	0.0	0.0	0.0	61.2
Other liabilities	12.8	0.1	2.5	3.7	19.1
Current financial liabilities	545.9	0.2	0.0	45.8	591.9
Financial debt	193.6	0.0	0.0	19.2	212.8
Lease liabilities	0.0	0.0	0.0	19.2	19.2
Miscellaneous financial debt	193.6	0.0	0.0	0.0	193.6
Trade payables	260.7	0.0	0.0	0.0	260.7
Other liabilities	91.6	0.2	0.0	26.6	118.4

**Financial instruments
(liabilities)**

Dec. 31, 2024	Measured at amortized cost	Measured at fair value		Liabilities not within the scope of IFRS 9	
€ million	Financial liabilities	Derivatives designated as hedging instruments (recognized in other comprehensive income/ loss)	Financial liabilities (recognized through profit or loss)	Carrying amount	Carrying amount on the balance sheet
Non-current financial liabilities	87.1	0.5	0.0	64.1	151.7
Financial debt	71.6	0.0	0.0	60.1	131.7
Lease liabilities	0.0	0.0	0.0	60.1	60.1
Miscellaneous financial debt	71.6	0.0	0.0	0.0	71.6
Other liabilities	15.5	0.5	0.0	4.0	20.0
Current financial liabilities	436.3	2.1	0.3	41.8	480.5
Financial debt	129.1	0.0	0.0	26.8	155.9
Lease liabilities	0.0	0.0	0.0	26.8	26.8
Miscellaneous financial debt	129.1	0.0	0.0	0.0	129.1
Trade payables	235.0	0.0	0.0	0.0	235.0
Other liabilities	72.2	2.1	0.3	15.0	89.6

The following table shows the carrying amounts and fair values of all financial instruments included in the consolidated financial statements that fall within the scope of IFRS 7 »Financial Instruments: Disclosures« and that are not reported at fair value.

€ million	Dec. 31, 2025		Dec. 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade receivables	186.0	186.0	177.1	177.1
Other receivables and assets	21.7	21.7	20.0	20.0
Cash and cash equivalents	63.5	63.5	62.0	62.0
Financial liabilities				
Financial debt - liabilities to banks	254.8	261.0	200.7	200.4
Trade payables	260.7	260.7	235.0	235.0
Other liabilities	104.4	104.4	87.7	87.7

In the case of cash and cash equivalents, trade receivables, trade payables, and other current financial assets and liabilities (due within one year), the carrying amounts are virtually the same as the fair values owing to the short residual maturity.

The fair value of non-current financial assets and liabilities is calculated by discounting estimated future cash flows using arm's length discount rates and taking into account the DEUTZ Group's own credit risk and also counterparty risk based on credit ratings and exchange rates on the balance sheet date.

The following table shows the assignment to the three levels of the IFRS 13 measurement hierarchy of the fair values as at the balance sheet date of financial assets and liabilities that were measured at fair value in the consolidated financial statements, or for which a fair value was disclosed in the notes to the financial statements:

Dec. 31, 2025

€ million

	Carrying amount	Fair value	Level 1 ²⁷⁷	Level 2 ²⁷⁸	Level 3 ²⁷⁹
Financial assets					
Equity investments - recognized through other comprehensive income	0.2	0.2	0.0	0.0	0.2
Securities - recognized through other comprehensive income	1.6	1.6	1.6	0.0	0.0
Securities - recognized through profit or loss	2.4	2.4	2.4	0.0	0.0
Option - recognized through profit or loss	0.1	0.1	0.0	0.0	0.1
Currency forwards - recognized through other comprehensive income	0.3	0.3	0.0	0.3	0.0
Currency forwards - recognized through profit or loss	0.5	0.5	0.0	0.5	0.0
Trade receivables	6.6	6.6	0.0	0.0	6.6
Financial liabilities					
Interest rate swaps - designated as hedging instruments	0.1	0.1	0.0	0.1	0.0
Currency forwards - designated as hedging instruments	0.2	0.2	0.0	0.2	0.0
Other liabilities - recognized through profit or loss	2.5	2.5	0.0	0.0	2.5
Financial debt	254.8	261.0	0.0	0.0	261.0

Dec. 31, 2024

€ million

	Carrying amount	Fair value	Level 1 ²⁸⁰	Level 2 ²⁸¹	Level 3 ²⁸²
Financial assets					
Loan	1.3	1.3	0.0	0.0	1.3
Equity investments - recognized through other comprehensive income	1.3	1.3	0.0	0.0	1.3
Securities - recognized through other comprehensive income	1.7	1.7	1.7	0.0	0.0
Securities - recognized through profit or loss	2.5	2.5	2.5	0.0	0.0
Trade receivables	9.3	9.3	0.0	0.0	9.3
Financial liabilities					
Interest-rate swaps - designated as hedging instruments	0.5	0.5	0.0	0.5	0.0
Currency forwards - designated as hedging instruments	2.1	2.1	0.0	2.1	0.0
Currency forwards - held for trading	0.3	0.3	0.0	0.3	0.0
Financial debt	200.7	200.4	0.0	0.0	200.4

²⁷⁷ Level 1: Measurement is based on the price of identical assets or liabilities in active markets.

²⁷⁸ Level 2: Measurement is based on the price of a similar instrument in active markets/measurement using a method in which all the critical inputs are based on observable market data.

²⁷⁹ Level 3: Measurement using a method in which critical inputs are not based on observable market data.

²⁸⁰ Level 1: Measurement is based on the price of identical assets or liabilities in active markets.

²⁸¹ Level 2: Measurement is based on the price of a similar instrument in active markets/measurement using a method in which all the critical inputs are based on observable market data.

²⁸² Level 3: Measurement using a method in which critical inputs are not based on observable market data.

The equity investment measured at fair value through other comprehensive income is the equity investment in Blue World Technologies, Aalborg (Denmark). The decision was made to assign it to this measurement category because it is a long-term equity investment in new drive technologies in a field of strategic importance to DEUTZ AG. The fair value as at December 31, 2025 was calculated as the present value of the future cash inflows and outflows taken from the Company's medium-term planning based on unobservable inputs (Level 3). The fair value amounted to €0.2 million as at December 31, 2025 (December 31, 2024: €1.3 million). The impairment of €1.1 million was recognized in other comprehensive income.

The fair value of securities is derived from prices in active markets.

The fair value of derivative financial instruments (currency forwards) is calculated over the remaining term of the instrument using current exchange rates, market interest rates, and yield curves and taking into account the DEUTZ Group's own credit risk and also counterparty risk. The disclosures are based on valuations by banks.

The trade receivables recognized at fair value relate to receivables that are sold as part of the existing factoring agreements. The receivables are transferred to the factoring companies at their nominal value. The fair value of the receivables corresponds to the sale price and therefore the nominal value of the receivables. The main influencing factor on the fair value of the receivables is credit risk. However, this is deemed to be negligible given that they are being sold to the factoring company.

The fair value of interest-rate swaps is derived from current yield curves and from discount factors with matching maturities.

The other liabilities relate to the potential severance payment to the non-controlling interests in HJS Emission Technology GmbH & Co. KG. The severance payment entitlements arise from legal rights of termination and are recognized as exercised in accordance with the anticipated-acquisition method. The fair value is derived from the purchase consideration for the investment.

Net gains or losses on financial instruments Net gains or losses recognized in the income statement are broken down by measurement category in IFRS 9 as follows:

	Measured at fair value		Measured at amortized cost	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
2025				
€ million				
Net gains/losses	0.3	0.8	1.3	-14.4

2024	Measured at fair value		Measured at amortized cost	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
€ million				
Net gains/losses	1.7	-0.5	6.8	-14.8

The net gains or losses for each measurement category primarily comprise gains and losses recognized in profit or loss resulting from the measurement of financial instruments at fair value, currency translation of financial instrument carrying amounts, impairment losses and/or reversal of impairment losses on financial instruments, and interest income and expense.

Unrealized losses of €9.1 million on financial investments measured at fair value through other comprehensive income were recognized in other comprehensive income in 2025 (2024: losses of €2.5 million). As had also been the case in 2024, no material realized gains or losses were reclassified from other comprehensive income to the income statement in 2025.

Total income and interest expense In 2025, interest income of €0.8 million (2024: €2.4 million) was attributable to financial assets that were not measured at fair value through profit or loss but rather at amortized cost. In 2025, interest expense of €16.6 million (2024: €16.1 million) was attributable to financial liabilities that were not measured at fair value through profit or loss but rather at amortized cost. In addition to interest paid on lease liabilities, this interest expense mainly comprised interest on financial liabilities and the effects of using the effective interest method.

Hedging

Cash flow hedging As at December 31, 2025, there were currency futures that were classified as hedging instruments. Currency futures are used to hedge the currency risk arising from forecast transactions in foreign currencies. Also at December 31, 2025, there were interest-rate swaps designated as hedging instruments in cash flow hedges. The interest-rate swaps are used to hedge the interest-rate risk attaching to floating-rate loans.

The following table provides a reconciliation of the reserve for cash flow hedges prior to the inclusion of deferred taxes:

Reserve for cash flow hedges

€ million	2025	2024
Jan. 1, 2025	-2.6	1.4
Change	6.4	-3.6
Release to the income statement	3.7	0.4
thereof to other operating income	3.7	0.4
Dec. 31, 2025	0.1	-2.6

The changes represent the effective portion of the hedge. In 2025, gains of €3.7 million (2024: gains of €0.4 million) recognized in other comprehensive income during the year (prior to the inclusion of deferred taxes) were reclassified to other operating income in the consolidated income statement. There was no ineffectiveness in respect of currency forwards. The ineffectiveness in respect of interest-rate swaps was insignificant.

For reasons of simplification, the fair values of the interest-rate swaps are recognized as clean fair values in other comprehensive income. Consequently, no gains or losses recognized in other comprehensive income were reclassified to the consolidated income statement during the year. Losses of €0.3 million (2024: gains of 0.6 million) before inclusion of deferred taxes were recognized directly in net financial income during the year.

Hedges relating to foreign-currency transactions in the operating business are expected to be unwound within the next 13 months. The associated gains that have been recognized in other comprehensive income will be reclassified to the income statement. With regard to hedging of interest-rate risk, losses that have been recognized in other comprehensive income will be reclassified to the income statement at the end of the hedge in 2 months' time.

Derivative financial instruments

The following derivative financial instruments were reported as at the balance sheet date:

€ million	Notional amounts 2025	Notional amounts 2024	Fair value 2025	Fair value 2024
Currency forwards				
not used as hedges	7.7	8.2	0.4	-0.3
used as cash flow hedges	30.0	64.0	0.2	-2.1
Interest rate swaps				
not used as hedges	0.0	0.0	0.0	0.0
used as cash flow hedges	80.0	80.0	-0.1	-0.5

Currency forwards used as cash flow hedges

€ million	2025	2024
Carrying amount (other liabilities/ other receivables and assets)	0.2	-2.1
Notional amount	30.0	64.0
Date of maturity	17.02.2026 – 15.01.2027	18.02.2025 – 15.01.2026
Hedge ratio	1:1	1:1
Change in fair value in the reporting period	0.2	-2.1
Change in value of the hedged item used to determine hedge effectiveness	-0.2	2.1
Average hedged rate for the financial year	USD 1,1778: EUR 1	USD 1,0847: EUR 1

Interest-rate swaps used as cash flow hedges

€ million	2025	2024
Carrying amount (other liabilities/ other receivables and assets)	-0.1	-0.5
Notional amount	80.0	80.0
Date of maturity	02.02.2026	02.02.2026
Hedge ratio	1:1	1:1
Weighted average fixed interest rate	2.8328%	2.8328 %
Variable interest rate	3M-Euribor	3M-Euribor
Change in fair value in the reporting period	-0.1	-0.5
Change in value of the hedged item used to determine hedge effectiveness	0.1	0.5

Netting

As at December 31, 2025, there were no material financial assets and liabilities subject to netting agreements in the DEUTZ Group.

27. Interests in other entities

In addition to the parent company DEUTZ AG, the consolidated financial statements for 2025 included 50 subsidiaries, two joint ventures, and one associate.

Subsidiaries and non-controlling interests SINOCHAIN Environment Protection Co., Ltd., Shanghai (China), holds 40% of the voting shares in DEUTZ Power Solution (Xuzhou) Co., Ltd., Jiangsu (China). As at 31 December 2025, the shares amounted to €2.3 million and were deemed to be non-material.

Robberts Holdings (Pty) Ltd., Johannesburg (South Africa), holds 49% of the voting shares in HJS Emission Technology SA (PTY) LTD, Rustenburg (South Africa). As at 31 December 2025, the shares amounted to €1.1 million and were deemed to be non-material.

Joint ventures One of the joint ventures is Hunan DEUTZ Power Co., Ltd., headquartered in Changsha (China), which DEUTZ established with SANY. Hunan DEUTZ Power Co., Ltd. is an unlisted joint arrangement in which the Group shares joint control and has an ownership interest of 51%. Hunan DEUTZ Power Co., Ltd., Changsha (China), itself holds 100% of the shares in the operational production company Kunshan SANY Power Co., Ltd., Kunshan (China). Despite holding the majority of the voting rights, DEUTZ does not have control over the activities that are material to operating performance. The shares are classified as a joint venture and accounted for in the consolidated financial statements using the equity method.

A summary of financial information for Hunan DEUTZ Power Co., Ltd., based on its consolidated financial statements prepared in accordance with IFRS, is shown in the following table.

€ million	Dec. 31, 2025	Dec. 31, 2024
Revenue	130.7	100.8
Depreciation and amortization	-10.2	-13.8
Interest income	0.4	0.5
Interest expense	0.0	0.0
Interest income, net	0.4	0.5
Income taxes	-0.3	0.2
Profit (loss) from continuing operations	3.0	-1.1
Net income	3.0	-1.1
Current assets	96.7	74.3
thereof cash and cash equivalents	32.2	37.9
Non-current assets	82.7	95.6
Current liabilities	98.4	79.2
thereof current financial liabilities	0.0	1.2
Non-current liabilities	23.0	29.9
thereof non-current financial liabilities	0.0	0.0
Net assets	58.0	60.8
Group 's share of net assets at Jan. 1	31.0	30.3
Adjustment of net assets after PPA	0.0	0.0
Share of net income	1.5	-0.6
Dividends received in the financial year	0.0	0.0
Effect of currency translation	-2.9	1.3
Group 's share of net assets at Dec. 31	29.6	31.0
Goodwill of DEUTZ AG after PPA	6.0	6.0
Impairment	0.0	0.0
Carrying amount using the equity method at Dec. 31	35.6	37.0

Non-material associates and joint ventures A summary of financial information is shown below for the Group's interest in the non-material associate D. D. Power Holdings (Pty) Ltd., Elandsfontein, South Africa, and the joint venture DEUTZ Zhongguancun Hydrogen Technology (Beijing) Co., Ltd., Peking (China). The associate D. D. Power Holdings (Pty) Ltd. has a different financial year (ending on November 30). Annual financial statements for the year ended December 31 have not been prepared for reasons of materiality.

€ million	2025	2024
Carrying amount of interests	5.5	6.8
Group 's share of:		
Profit from continuing operations	1.5	1.5
Other comprehensive income	0.0	0.0
Net income	1.5	1.5

28. Contingent liabilities

Contingent liabilities As at the balance sheet date, warranty liabilities in the DEUTZ Group amounted to €0.7 million (December 31, 2024: €0.4 million). Warranty liabilities are recognized for repair or replacement obligations in the event of manufacturing defects or other product defects. This covers free reworking or replacements, purchase price reductions, and compensation for non-performance. The obligations are recognized as contingent liabilities because they do not yet meet the requirements for recognizing provisions.

Other financial obligations The following table shows the notional amounts and due dates of other financial obligations:

€ million	Dec. 31, 2025	Dec. 31, 2024
due in less than 1 year	15.8	11.6
due in 1 to 5 years	22.0	8.1
due in more than 5 years	0.0	0.0
Total	37.8	19.7

The obligations largely consist of financial obligations in connection with IT services.

Commitments to purchase property, plant and equipment and intangible assets amounted to €27.5 million as at December 31, 2025 (December 31, 2024: €39.4 million) and commitments to purchase inventories amounted to €95.9 million (December 31, 2024: €81.2 million).

The contract entered into in December 2025 to acquire all of the shares in Frerk Aggregatebau GmbH, Schweringen, entails payment of a fixed purchase price of €85 million, an obligation to pay a provisional additional purchase price (earn-out) of a maximum of €10 million, and a provisional purchase price of €6.2 million for the acquisition of a plot of land.

There is also an obligation to pay €15.0 million in connection with the acquisition of the investment in ARX Robotics GmbH, Munich, and the subsequent capital increase provided that the conditions set out in the purchase agreement concluded in December 2025 are met.

Legal disputes DEUTZ AG and other companies in the DEUTZ Group are involved in a number of legal disputes, claims for damages, and arbitration proceedings that could have an impact on the Group's financial position.

Financial provision has been made to cover litigation risks facing the respective Group companies if the event in question occurred before the balance sheet date, an obligation is probable, and the amount of the obligation can be determined with a sufficient degree of reliability.

A customer of the Torqeedo Group, which was sold and deconsolidated as at April 3, 2024, has filed a complaint due to defective performance in relation to product deliveries prior to the sale of the Torqeedo Group. The amount in dispute stands at €15 million. No risk provision was recognized for this complaint because it is considered unlikely that the complaint will be upheld in that amount.

We do not expect the above risks to have a significant adverse long-term impact on the DEUTZ Group's financial position or financial performance beyond the financial provision already made.

29. Related-party disclosures

In addition to its consolidated subsidiaries, the DEUTZ Group maintains relationships with related parties.

These include the business relationships between the DEUTZ Group and entities in which it holds significant investments.

Related parties also include the Supervisory Board and the Board of Management.

The following table shows the volume of material goods and services either provided for or received from entities in which the DEUTZ Group holds significant investments:

€ million	Goods and services provided		Other expenses for services received		Receivables		Payables	
	2025	2024	2025	2024	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Associates	16.8	12.1	0.0	0.0	2.5	1.6	0.0	1.0
Joint ventures	4.8	0.0	0.0	0.0	0.9	0.4	0.0	0.6
Other investments	0.0	0.0	6.1	5.8	0.0	0.0	2.2	2.3
Total	21.6	12.1	6.1	5.8	3.4	2.0	2.2	3.9

As at December 31, 2025, receivables of €9.2 million due from other investments had been written off in full (December 31, 2024: €9.2 million). As had also been the case in 2024, this had no impact on earnings in 2025.

Of these receivables, €5.2 million related to loans granted by DEUTZ (December 31, 2024: €5.2 million) on which impairment losses of €5.2 million had been recognized (December 31, 2024: €5.2 million). In both 2025 and 2024, an interest expense of €0.1 million arose in connection with the interest payable.

The following payments were made to the Supervisory Board and the Board of Management as related parties of the DEUTZ Group:

€ million	Supervisory Board		Board of Management	
	2025	2024	2025	2024
Short-term remuneration ²⁸³	2.0	1.9	3.8	4.1
Post-employment benefits	0.0	0.0	0.3	0.3
Other long-term benefits	0.2	0.0	0.0	0.0
Termination benefits	0.0	0.0	0.0	0.0
Share-based remuneration ²⁸⁴	0.0	0.0	2.3	0.8
Total	2.2	1.9	6.4	5.2

As had also been the case in 2024, no disclosable transactions with related parties took place in 2025. The remuneration paid to the Board of Management and the Supervisory Board is described in Note 36. Total remuneration for the Board of Management, former Board of Management members, and the Supervisory Board.

30. Events after the reporting period

On February 3, 2026, DEUTZ AG completed its acquisition of all of the shares in Frerk Aggregatebau GmbH, Schweringen. Frerk is a leading systems integrator for diesel and gas-driven emergency power systems with a core focus on data centers and critical infrastructure in Germany. Going forward, it will provide strategic support for DEUTZ AG's energy business.

On February 24, 2026, DEUTZ AG agreed a strategic alliance with TYTAN Technologies, Munich, to develop and industrialize energy and drive technologies for drone defense systems. It acquired a 1.52% stake in the company in connection with the alliance.

No other events occurred after December 31, 2025 that had a material impact on the financial position or financial performance of the DEUTZ Group.

31. Share-based remuneration programs

Between 2007 and 2025, DEUTZ AG launched long-term incentive plans as long-term components of remuneration. Under these long-term incentive plans, virtual stock options or, alternatively, virtual performance shares are issued to reward senior management for its sustained contribution to the Company's success.

General description of the incentive plans of DEUTZ AG under which virtual performance shares are granted The following incentive plans are based on the issuance of virtual performance shares in DEUTZ AG. The Company decides at its discretion who is eligible to participate in the plans. However, only members of the DEUTZ Group's senior management and members of the Board of Management of DEUTZ AG may be considered for inclusion. It is at the discretion of the Company to decide how many instruments are granted.

²⁸³ The short-term remuneration for members of the Supervisory Board includes both remuneration for their work as Supervisory Board members and the regular salaries of the salaried employee representatives.

²⁸⁴ The disclosure of share-based remuneration corresponds with the expense (+) or income (-) recognized in the operating profit in the reporting year from the changes in provisions made for distributed virtual share options.

By the balance sheet date, the following long-term incentive plans (LTI) that were still in existence, with the (original) number of performance shares shown, had been granted:

Incentive plan	Date of grant	Number of performance shares
LTI BoM 2022	January 1, 2022	281,206
LTI BoM 2023	January 1, 2023	648,919
LTI BoM 2024	January 1, 2024	487,316
LTI BoM 2025	January 1, 2025	430,722
LTI No. XVI-A	January 1, 2022	128,752
LTI No. XVII-A	January 1, 2023	202,997
LTI No. XVIII-A	January 1, 2024	253,197
LTI No. XIX-A	January 1, 2025	232,274

A total of 1,848,163 of these performance shares were granted to current and former members of the DEUTZ AG Board of Management.

Performance shares The performance shares give rise to an entitlement to payment of a cash sum based on their virtual performance since allocation. The vesting period before payment of this cash sum is four years, starting from the date on which the virtual performance shares are allocated (performance period). After the four-year performance period has expired, the final number and value of the performance shares are calculated on the basis of the performance targets described below.

Depending on achievement of various performance targets, the beneficiary receives a cash payment after expiry of the performance period, the amount of which is the average DEUTZ AG closing share price for the 60 trading days prior to expiry of the performance period multiplied by the final number of performance shares determined on the basis of achievement of the various performance targets. The amount payable according to this calculation is limited to 1.8 times the target amount specified for the individual beneficiary. No beneficiary receives shares in the Company.

Performance targets for LTI BoM 2023 to 2025 and LTI no. XVII-A to LTI no. XIX-A During the four-year term, the number of performance shares depends on the achievement of a total shareholder return component (TSR component) and a return on capital employed component (ROCE component) («performance targets»). 50% of the conditionally allocated performance shares are assigned to each of the two performance targets.

The performance shares only have a value at the end of the performance period and therefore only then result in a payment being made

- if the performance of the DEUTZ AG share price plus notionally reinvested gross dividends during the performance period is greater than, or equal to, the 25th percentile ranking of the DAXsubsector All Industrial Machinery peer group (TSR component) and/or
- if the relevant figure for ROCE (EBIT / capital employed) at the end of the final year of the performance period is greater than, or equal to, a predefined target value (ROCE component).

If target achievement for one or both of these two performance targets is below the aforementioned thresholds, the number of performance shares assigned to the performance target in question is reduced to zero. If one or both of these two performance targets are exceeded, the number of performance shares assigned to the performance target in question is increased up to a maximum of 180% of the number of performance shares originally allocated (cap). Since 2024, the number of performance shares during the four-year term also depends on the achievement of a sustainability component, under which both environmental and social targets have to be met. The weightings for the performance targets are as follows: 50% for the ROCE component, 20% for the TSR component, and 30% for the sustainability component.

General description of the incentive plans of DEUTZ AG under which stock options are granted The following incentive plans are based on the issuance of virtual options on shares in DEUTZ AG. The Company decides at its discretion who is eligible to participate in the plans. However, only members of the DEUTZ Group's senior management and members of the Supervisory Board of DEUTZ AG may be considered for inclusion. It is at the discretion of the Company to decide how many instruments are granted.

By the balance sheet date, the following long-term incentive plans (LTI) that were still in existence, with the (original) number of virtual options shown, had been granted free of charge:

Incentive Plan	Date of grant	Number of options
LTI No. XII	September 1, 2018	322,501
LTI No. XIII	October 1, 2019	280,000
LTI No. XIV	October 1, 2020	290,000
LTI No. XV-B	October 1, 2021	70,000
LTI No. XVI-B	October 1, 2022	70,000
LTI No. XVII-B	October 1, 2023	70,000

Exercise of stock options One of the fundamental requirements for exercising options is that the option holders themselves invest in the Company at a ratio of one share per

ten options. The absolute earliest that options can be exercised is four years after the date of grant (vesting period) and then only within four years from the end of the vesting period and only within ten days from the date of publication of quarterly financial statements. The Company may delay the start of the exercise window for the options or accelerate the exercise and vesting periods.

Furthermore, options may only be exercised

- if the market price of DEUTZ AG shares has risen by at least 30% relative to the reference price (dividend distributions by DEUTZ AG must be taken into consideration, i.e. for the purposes of calculating the performance target, the total gross dividend distribution up to the exercise date must be added to the DEUTZ AG share price); or
- if, in the period starting from the grant date of the option and ending on the date of exercise, DEUTZ AG shares outperform the DAXsector Industrial Performance Index – or any future index that replaces the DAXsector Industrial Performance Index – by at least 30%.

A request to exercise options must be submitted to the Company in writing.

The following specific terms and conditions apply to the incentive plans still in existence under which virtual stock options are granted:

Incentive plan	Earliest exercise date	Reference price
LTI No. XII	September 1, 2022	7.15 €
LTI No. XIII	October 1, 2023	5.80 €
LTI No. XIV	October 1, 2024	4.56 €
LTI No. XV-B	October 1, 2025	7.45 €
LTI No. XVI-B	October 1, 2026	6.80 €
LTI No. XVII-B	October 1, 2027	3.98 €

When an option is exercised, the beneficiary receives a cash payment in the amount of the difference between the DEUTZ AG share price on the exercise date and the reference price at the time the option was granted. No beneficiary receives shares in the Company.

Information on the recognition and measurement of performance shares and stock options Because the virtual performance shares and the virtual stock options are cash-based instruments rather than equity-based instruments, the Company is obliged to recognize a provision, the amount of which is derived from the fair value of the virtual performance shares and the virtual stock options at the grant date and apportioned pro rata over the applicable vesting period. This provision is recognized as non-current under the »Other provisions« line item on the balance sheet. The provision is remeasured on every reporting date at the fair value of the instruments granted until they are settled.

The amount to be recognized for the instruments granted is closely linked to the fulfillment of the contractual vesting conditions stipulated for the share-based remuneration programs. Market conditions and non-vesting conditions such as those applying to virtual performance shares in the form of a payment cap and TSR target achievement and to stock options in the form of a share price target must be taken into account when calculating the fair value. By contrast, service conditions and non-share-price-related conditions must be taken into account when estimating the number of shares becoming exercisable. Both programs are subject to service conditions. In addition, the virtual performance share program includes a non-share-price-related performance target relating to ROCE and, since the 2024 tranche, a sustainability component. All changes to provisions are recognized in profit or loss.

Depending on the complexity of the plan terms and conditions and the financial/mathematical requirements, fair value is determined using either a Monte Carlo simulation or a Black-Scholes-based option pricing model. The models take account of the aforementioned vesting conditions and exercise prices, the term of the plans, the DEUTZ AG share price, and other factors. The relevant measurement parameters for each incentive plan are shown in the following table:

Incentive plan	Risk-free interest rate	Volatility	Assumed maturity
LTI No. XII	2.00%	37%	Aug. 31, 2026
LTI No. XIII	2.09%	45%	Sep. 30, 2027
LTI No. XIV	2.19%	41%	Sep. 30 2028
LTI No. XV-B	2.30%	40%	Sep. 30 2029
LTI No. XVI-B	2.19%	41%	Oct. 1, 2028
LTI No. XVII-B	2.30%	40%	Oct. 1, 2029
LTI BoM 2023	2.00%	46%	Jan. 1, 2027
LTI BoM 2024	2.08%	41%	Jan. 1, 2028
LTI BoM 2025	2.20%	38%	Jan. 1, 2029
LTI No. XVII-A	2.00%	46%	Jan. 1, 2027
LTI No. XVIII-A	2.08%	41%	Jan. 1, 2028
LTI No. XIX-A	2.20%	38%	Jan. 1, 2029

Information on the total expense recognized for share-based remuneration programs in 2025 In accordance with the requirement for the fair value of the performance shares and options to be recalculated on each balance sheet date, a calculation was carried out on the basis of the DEUTZ AG share price of €8.50 as at December 31, 2025 (December 31, 2024: €4.04), which resulted in an overall expense of €5,764 thousand in 2025 (2024: €3,336 thousand). A total provision of €14,180 thousand was recognized at the end of 2025 (December 31, 2024: €8,416 thousand). Of this amount, €3,815 thousand was classified as a current provision because the LTI BoM 2022 and LTI no. XV-A tranches expired on December 31, 2025.

The year-on-year increase was due to more of the shares granted becoming vested and due to the issue of new tranches. Furthermore, the LTI BoM 2023 to 2025 tranches include shares granted to former members of the Board of Management.

The amount is broken down as follows:

Incentive plan	Dec. 31, 2025 € thousand	Dec. 31, 2024 € thousand
LTI No. XI	0	6
LTI No. XII	261	22
LTI No. XIII	226	99
LTI No. XIV	159	146
LTI No. XV-B	227	17
LTI No. XVI-B	182	22
LTI No. XVII-B	202	32
LTI BoM 2021	0	1,133
LTI BoM 2022	3,071	1,158
LTI BoM 2023	3,779	2,518
LTI BoM 2024	2,311	1,491
LTI BoM 2025	1,045	554
LTI No. XV-A	0	247
LTI No. XVI-A	744	245
LTI No. XVII-A	882	444
LTI No. XVIII-A	773	282
LTI No. XIX-A	318	0
Total	14,180	8,416

The options granted had the following intrinsic values, provided the vesting conditions were met:

Incentive plan	Intrinsic value per option, provided the vesting conditions are met (€)	
	Dec. 31, 2025	Dec. 31, 2024
LTI No. XI	-	0.00
LTI No. XII	2.70	0.00
LTI No. XIII	3.94	0.00
LTI No. XIV	1.05	0.00
LTI No. XV-B	1.70	0.00
LTI No. XVI-B	4.52	0.00
LTI No. XVII-B	1.84	0.06

32. Staff costs

€ million	2025	2024
Wages	249.5	221.1
Salaries	167.0	151.6
Social security contributions	78.1	70.1
Cost of post-employment benefits and other long-term benefits	22.2	2.1
Net interest cost for provisions for pensions and other post-retirement benefits	5.7	4.9
Cost of severance payments/personnel restructuring	2.6	1.4
Total	525.1	451.2

The following table shows the breakdown of staff costs in continuing operations by functional area:

€ million	2025	2024
Cost of sales	263.1	240.7
Research and development costs	72.2	56.1
Selling expenses	100.5	89.1
Administrative expenses	84.3	60.4
Other operating expenses	5.0	4.9
Total	525.1	451.2

The average number of employees in continuing operations during the year is stated in the disclosures under German accounting standards in Note 33.

Disclosures under German accounting standards

33. Average number of employees during the year (pursuant to section 314 (1) no. 4 HGB)

	2025	2024
Non-salaried employees	2,700	2,619
Salaried employees	2,759	2,447
	5,459	5,066
Trainees	127	93
Total	5,586	5,159

The number of employees is expressed in full-time equivalents (FTEs). Part-time employees are included pro rata according to their contractual working hours.

34. Corporate governance

In December 2025, the Board of Management and the Supervisory Board of DEUTZ AG issued a declaration of conformity with the recommendations of the German Corporate Governance Code government commission pursuant to section 161 AktG. This declaration was made permanently and publicly available on the Corporate Governance / Declaration of Conformity page of the Company's website (currently: www.deutz.com/en/investor-relations/corporate-governance/declaration-of-conformity/) in January 2026.

35. Auditor's fees

The total fees reported for auditing the consolidated financial statements for 2025 are broken down as follows:

€ thousand	2025	2024
Auditing	1,153	1,017
Other attestation services	213	90
Other services	0	0
Total	1,366	1,107

The fees for auditing services provided to DEUTZ AG consisted of the fees for the audit of the consolidated financial statements, the review of the interim financial statements for the six months to June 30, and the audit of the annual financial statements of DEUTZ AG. The fees for other attestation services provided to DEUTZ AG related to a number of engagements, including the audit of the Group sustainability report, the audit of the remuneration report, the audit of the EMIR requirements pursuant to section 32 (1) WpHG in conjunction with section 3 GPrüfBV, the audit of compliance with financial covenants, and the review of the use of information technology relevant to the financial statements. The rise in total fees compared with the previous year is mainly attributable to additional expenses incurred for the audit of the annual financial statements and consolidated financial

statements, as well as for auditing the Group sustainability report.

The auditor responsible for the audit, Christoph Hyckel, has overseen the audit of the single-entity and consolidated annual financial statements of DEUTZ AG since 2024.

36. Total remuneration for the Board of Management, former Board of Management members, and the Supervisory Board

Board of Management The total remuneration for the Board of Management of DEUTZ AG recognized in expenses in 2025 was €6,314 thousand (2024: €5,201 thousand). This consisted of short-term employee benefits of €4,037 thousand (2024: €4,380 thousand) and share-based long-term benefits as part of the long-term incentive plans amounting to €2,277 thousand (2024: €821 thousand). A total of 333,008 performance shares were granted to current members of the DEUTZ AG Board of Management in 2025 (2024: 351,665). Further disclosures on the granting of options are provided in Note 31. Share-based remuneration programs.

Remuneration for former members of the Board of Management or their surviving dependants amounted to €1,820 thousand (2024: €2,697 thousand) for DEUTZ AG and the Group. Provisions of €7,554 thousand (December 31, 2024: €8,495 thousand) have been recognized to cover the pensions of former members of the Board of Management. A total of 8,985 performance shares were granted to former members of the DEUTZ AG Board of Management in 2025 (2024: 88,729).

Supervisory Board The total remuneration for the Supervisory Board of DEUTZ AG in 2025 was €1,285 thousand (2024: €1,229 thousand). In addition, the employee representatives on the Supervisory Board who are also employees of the DEUTZ Group received normal salaries in line with their employment contracts. The level of their salaries represented appropriate remuneration for corresponding functions and tasks in the Group.

Advances and loans to members of the Board of Management and the Supervisory Board As at December 31, 2025, there were no outstanding advances or loans to any members of the Board of Management or the Supervisory Board, nor had any guarantees or other warranties been issued in favor of any such persons.

37. Disclosures under the German Securities Trading Act (WpHG)

The German Securities Trading Act (WpHG) obliges investors whose share of voting rights in listed companies reaches certain thresholds to notify the company accordingly. DEUTZ AG had received the following voting right notifications as at December 31, 2025:

Date of notification	Notifying party	Disclosures under the German Securities Trading Act (WpHG)	Date of threshold contact	Over/under threshold	New share of voting rights / of which attributable to the notifying party pursuant to Section 34 WpHG	Absolute voting rights / of which attributable to the person subject to the notification obligation pursuant to Section 34 WpHG	Held via the company controlled by the notifying party with 3% or more voting rights
March 30, 2023	Daimler Truck Holding AG, Stuttgart, Germany	section 33 (1) WpHG	March 28, 2023	>3%	4.19% / 4.19%	5,285,412 / 5,285,412	Daimler Truck AG
February 28, 2025	Ministry of Finance on behalf of the State of Norway, Oslo, Norway	section 33 (1) WpHG	February 25, 2025	<3%	2.76% / 2.76%	3,826,661 / 3,826,661	
April 1, 2025	Ardan Livvey Investors B.V., Amsterdam, Netherlands	section 33 (1) WpHG	March 27, 2025	<3%	2.86% / 2.86%	3,962,906 / 3,962,906	
August 20, 2025	DWS Investment GmbH, Frankfurt am Main, Germany	section 33 (1) WpHG	August 15, 2025	>3%	3.11% / 3.11%	4,318,771 / 4,318,771	
August 21, 2025	DWS Investment GmbH, Frankfurt am Main, Germany	section 33 (1) WpHG	August 18, 2025	<3%	2.91% / 2.91%	4,041,570 / 4,041,570	
August 22, 2025	DWS Investment GmbH, Frankfurt am Main, Germany	section 33 (1) WpHG	August 20, 2025	>3%	3.07% / 3.07%	4,256,013 / 4,256,013	
August 29, 2025	DWS Investment GmbH, Frankfurt am Main, Germany	section 33 (1) WpHG	August 26, 2025	<3%	2.87% / 2.87%	3,979,937 / 3,979,937	

38. Supervisory Board and Board of Management

Information on the members of the Supervisory Board and the Board of Management, including non-executive directorships held at other companies, is given in a separate list »Members of the Supervisory Board and Board of Management«.


Cologne, February 26, 2026

DEUTZ Aktiengesellschaft

The Board of Management



Dr. Sebastian C. Schulte
Chairman



Oliver Neu

SHAREHOLDINGS OF DEUTZ AG

As at December 31, 2025

Ref. no.	Name and registered office of the company	Held via	Holding (%)	Equity (€ thousand)	Net income (in Tsd.)
1	DEUTZ Aktiengesellschaft, Cologne			977,651	28,447
Consolidated companies in Germany					
2	DEUTZ Amerika Holding GmbH, Cologne ^{285,286,287}	1	100.0	233,991	0
3	DEUTZ Beteiligung GmbH, Cologne ²⁸⁵	1	100.0	8,203	-113
4	DEUTZ China Verwaltungs GmbH, Cologne ^{285, 286, 287}	1	100.0	49,174	0
5	DEUTZ Defense Systems GmbH, Cologne ^{285, 288}	1	100.0	-449	-474
6	DEUTZ Deutschland GmbH, Pfungstadt ^{285, 286, 287}	1	100.0	11	-4
7	DEUTZ Power Systems GmbH, Cologne ^{285, 289}	1	100.0	25	0
8	DEUTZ Verwaltungs GmbH, Cologne ^{285, 286, 287}	1	100.0	16,111	-14
9	Deutz-Mülheim Grundstücksgesellschaft mbH, Cologne ^{285, 286, 287, 290}	8	100.0	46	0
10	Futavis GmbH, Aachen ^{285, 286}	1	100.0	1,013	1
11	HJS Emission Technology GmbH & Co. KG, Menden ^{290, 291, 292}	8	50.0	15,241	-778
12	SOBEK Drives GmbH, Rottenburg am Neckar ^{285, 290, 293}	13	100.0	3,370	1,560
13	SOBEK Group GmbH, Hirschberg ^{285, 293}	1	100.0	3,077	-355
14	SOBEK Motorsport GmbH, Hirschberg ^{285, 290, 293}	13	100.0	2,723	708
15	Unterstützungsgesellschaft mbH der DEUTZ Aktiengesellschaft, Cologne ²⁸⁵	1	100.0	-581	-31
Consolidated companies outside Germany					
16	Blue Star Power Systems, Inc., North Mankato (USA) ^{290, 292}	23	100.0	83,489	27,928
17	DEUTZ Asia-Pacific (Pte.) Ltd., Singapore (Singapore) ²⁹²	1	100.0	7,410	4,087
18	Deutz Australia (Pty) Ltd., Braeside (Australia) ²⁸⁵	1	100.0	5,439	-470
19	Deutz Austria GmbH, Vienna (Austria) ²⁹²	1	100.0	1,997	1,002
20	DEUTZ (Beijing) Engine Co., Ltd., Beijing (China) ²⁸⁵	1	100.0	4,161	88
21	Deutz Belgium N.V., Antwerp (Belgium) ^{290, 292}	22	100.0	3,660	662
22	Deutz Benelux B.V., Rotterdam (Netherlands) ²⁸⁵	1	100.0	3,598	0
23	Deutz Corporation, Norcross (USA) ^{290, 292}	2	100.0	162,134	3,487
24	DEUTZ CS s.r.o., Modrice (Czech Republic) ²⁹²	1	100.0	1,117	299
25	DEUTZ DO BRASIL LTDA., São Paulo (Brazil) ²⁸⁵	1	100.0	2,382	437
26	DEUTZ Engines (India) Private Limited, Pune (India) ²⁸⁵	1	100.0	1,452	318
27	DEUTZ FRANCE S.A.S., Gennevilliers (France) ²⁸⁵	1	100.0	13,865	2,767
28	DEUTZ Global Service Center, S.L., Zafra (Spain) ²⁸⁵	1	100.0	1,277	115
29	DEUTZ Italy S.r.l., Milan (Italy) ²⁹²	1	100.0	11,977	4,260
30	DEUTZ Japan GK, Tokyo (Japan) ²⁸⁵	1	100.0	961	987
31	DEUTZ Netherlands B.V., Dordrecht (Netherlands) ^{290, 292, 294}	22	100.0	3,339	489
32	DEUTZ Nordic AB, Järfälla (Sweden) ²⁹²	1	100.0	14,557	943
33	DEUTZ Nordic ApS, Risskov (Denmark) ²⁹²	1	100.0	6,244	1,466
34	DEUTZ Nordic Oy, Helsinki (Finland) ²⁹²	1	100.0	3,074	428
35	DEUTZ Polska sp.z.o.o., Walendów (Poland) ^{285, 295}	1	100.0	5,444	1,248
36	DEUTZ Power Solution (Xuzhou) Co., Ltd., Jiangsu (China) ^{285, 290, 296}	4	60.0	5,719	748
37	DEUTZ Romania S.r.l., Galati (Romania) ^{290, 292}	29	100.0	615	130

²⁸⁵ Equity and net income in accordance with the annual financial statements prepared for consolidation purposes.

²⁸⁶ Profit-and-loss transfer agreement within the DEUTZ Group.

²⁸⁷ Forms a tax group with DEUTZ AG for VAT purposes.

²⁸⁸ Initial consolidation as of May 22, 2025.

²⁸⁹ Initial consolidation as of December 17, 2025.

²⁹⁰ Indirect investment.

²⁹¹ Initial consolidation as of January 6, 2025.

²⁹² Equity and net income in accordance with the annual financial statements prepared for consolidation purposes before intra-group adjustments.

²⁹³ Initial consolidation as of September 2, 2025.

²⁹⁴ Merged with Ausma Motorenrevisie B.V., Roden (Netherlands) as of January 1, 2025.

²⁹⁵ Formerly Biuro Technizno-Handlowe FAST Sp.z.o.o. Renamed as of February 17, 2025.

²⁹⁶ Change in consolidation method in the third quarter of 2025. Reduction in shareholding in the fourth quarter of 2025.

SHAREHOLDINGS OF DEUTZ AG

As at December 31, 2025

Ref. no.	Name and registered office of the company	Held via	Holding (%)	Equity (€ thousand)	Net income (in Tsd.)
38	DEUTZ (SHANGHAI) INTERNATIONAL TRADE Co., Ltd., Shanghai (China) ²⁹²	1	100.0	7,040	4,846
39	DEUTZ Spain S.A., Zafra (Spain) ²⁸⁵	1	100.0	53,284	3,034
40	DEUTZ Turkey Makina Sanayi ve Ticaret Limited Şirketi, Istanbul (Turkey) ^{285, 297}	1	100.0	1,461	72
41	Double Down Heavy Repair LLC, Elko (USA) ^{285, 290, 298}	23	100.0	2,463	638
42	HJS Emission Technology India Pvt. Ltd., Haryana (India) ^{285, 290, 291}	11	49.95	465	120
43	HJS Emission Technology Ltd (UK), Swindon (England) ^{285, 290, 291}	11	50.0	488	410
44	HJS Emission Technology SA (PTY) LTD, Rustenburg (South Africa) ^{285, 290, 291}	11	25.5	2,243	371
45	Kirkwell Ltd. (South Coast Diesels), Kildare (Ireland) ²⁹²	1	100.0	4,531	135
46	Mauricio Hochschild Ingeniería y Servicios S.A., Santiago (Chile) ^{290, 292}	39	100.0	7,244	12
47	Motor Center Austria GmbH, Wels (Austria) ²⁹²	1	100.0	326	1
48	Nlle Ste MAGIDEUTZ S.A., Casablanca (Morocco) ^{285, 290}	27	100.0	-2,760	-4,525
49	OOO DEUTZ Vostok, Moscow (Russia) ²⁸⁵	1	100.0	843	-350
50	UMS Holding B.V., Oss (Netherlands) ^{285, 290, 299}	10	100.0	2,913	54
51	Urban Mobility Systems B.V., Oss (Netherlands) ^{290, 292, 299}	50	100.0	-14,523	-2,507
52	D. D. Power Holdings (Pty) Ltd., Elandsfontein (South Africa) ^{300, 301}	1	30.0	14,396	5,173
53	DEUTZ Zhongguancun Hydrogen Technology (Beijing) Co., Ltd, Beijing (China) ^{290, 300}	4	50.0	1,116	-101
54	Hunan DEUTZ Power Co., Ltd., Changsha (China) ^{290, 300}	4	51.0	59,436	4,076
Unconsolidated companies in Germany					
55	DEUTZ Sicherheit Gesellschaft für Industrieservice mbH, Cologne ^{286, 287}	1	100.0	26	0
56	Feld & Hahn GmbH i. L., Cologne ^{286, 302}	1	100.0	455	0
Unconsolidated companies outside Germany					
57	AROTRIOS S.A., Nea Filadelfia (Greece) ³⁰²	1	100.0	–	–
58	DEUTZ ENGINEERING družba za projektiranje, proizvodnjo in trgovino d.o.o., Maribor (Slovenia)	1	100.0	943	126
59	DEUTZ UK LTD, Cannock (UK)	1	100.0	165	21
Other equity investments					
60	Blue World Technologies, Aalborg (Denmark) ³⁰³	1	2.78	12,724	-13,172

²⁸⁵ Equity and net income in accordance with the annual financial statements prepared for consolidation purposes.

²⁸⁶ Profit-and-loss transfer agreement within the DEUTZ Group.

²⁸⁷ Forms a tax group with DEUTZ AG for VAT purposes.

²⁹⁰ Indirect investment.

²⁹¹ Initial consolidation as of January 6, 2025.

²⁹² Equity and net income in accordance with the annual financial statements prepared for consolidation purposes before intra-group adjustments.

²⁹⁷ Initial consolidation as of October 2, 2025.

²⁹⁸ Initial consolidation as of November 3, 2025.

²⁹⁹ Initial consolidation as of June 2, 2025.

³⁰⁰ Consolidated using the equity method.

³⁰¹ Figures as of November 30, 2025 valued at the price as of December 31, 2025.

³⁰² The company is in liquidation.

³⁰³ Figures as of December 31, 2024.

SHAREHOLDINGS OF DEUTZ AG

As at December 31, 2025

Ref. no.	Name and registered office of the company	Held via	Holding (%)	Equity (€ thousand)	Net income (in Tsd.)
Notes to subsidiaries					
The German subsidiaries listed below in the legal form of a corporation make use of the exemption option under Section 264 Paragraph 3 of the German Commercial Code (HGB) in conjunction with Section 325 of the German Commercial Code (HGB) with regard to disclosure:					
	DEUTZ Amerika Holding GmbH, Cologne				
	DEUTZ China Verwaltungs GmbH, Cologne				
	DEUTZ Deutschland GmbH, Pfungstadt				
	DEUTZ Verwaltungs GmbH, Cologne				
	Deutz-Mülheim Grundstücksgesellschaft mbH, Cologne				
	Futavis GmbH, Aachen				
The German subsidiary listed below, which is a limited partnership, makes use of the disclosure exemption option provided in section 264b HGB in conjunction with sections 264 and 325 HGB: The subsidiary also makes use of the exemption option set forth in section 291 HGB in relation to the preparation of a group management report and consolidated financial statements:					
	HJS Emission Technology GmbH & Co. KG, Menden				

Annual Financial statements in accordance with the German Commercial Code (HGB)

BALANCE SHEET OF DEUTZ AG

€ million

Assets	Dec. 31, 2025	Dec. 31, 2024
Intangible assets	157.7	138.9
Property, plant and equipment	253.0	271.1
Investments	653.4	486.7
Non-current assets	1,064.1	896.7
Inventories	225.7	218.4
Receivables and other assets	244.1	203.1
Cash and cash equivalents	13.2	23.6
Current assets	483.0	445.1
Prepaid expenses	4.8	6.8
Deferred tax assets	150.5	138.9
Excess of plan assets over post-employment benefit liability	0.3	1.3
Total assets	1,702.7	1,488.8
Equity and liabilities	Dec. 31, 2025	Dec. 31, 2024
Issued capital	390.8	354.7
Additional paid-in capital	173.7	78.1
Retained earnings		
Legal reserve	4.5	4.5
Other retained earnings	348.3	348.8
Accumulated income	60.4	55.6
Equity	977.7	841.7
Provisions	233.5	244.6
Other liabilities	490.2	401.4
Deferred income	1.3	1.1
Total equity and liabilities	1,702.7	1,488.8

INCOME STATEMENT OF DEUTZ AG

€ million

	2025	2024
Revenue	1,488.6	1,422.8
Cost of sales	-1,259.4	-1,203.3
Gross profit	229.2	219.5
Research and development costs	-88.8	-99.2
Selling expenses	-74.1	-66.6
General and administrative costs	-85.6	-78.2
Other operating income	45.9	56.8
Other operating expenses	-10.3	-25.7
thereof expenses pursuant to art. 67 (1) and (2) of the Introductory Act to the HGB (EGHGB)	0.0	-2.3
Net investment income	25.1	20.5
Interest expenses, net	-8.9	-7.8
Write-downs of investments	-12.2	-6.2
Income taxes	8.5	26.8
Profit after income taxes	28.8	39.9
Other taxes	-0.4	-0.6
Net income	28.4	39.3
Profit carried forward from previous year	32.0	35.3
Additions to other retained earnings	0.0	-19.0
Accumulated income	60.4	55.6

Responsibility statement

»To the best of our knowledge, and in accordance with the applicable accounting principles, the consolidated financial statements give a true and fair view of the net assets, financial position, and results of operation of the Group, and the group management report presents a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.«

Cologne, February 26, 2026

DEUTZ Aktiengesellschaft

The Board of Management



Dr. Sebastian C. Schulte
Chairman



Oliver Neu

Independent auditor's report

To DEUTZ Aktiengesellschaft, Cologne

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

AUDIT OPINIONS

We have audited the consolidated financial statements of DEUTZ Aktiengesellschaft, Cologne, and its subsidiaries (the Group) — comprising the consolidated balance sheet as at 31 December 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2025 to 31 December 2025 as well as the notes to the consolidated financial statements, including significant information on the accounting policies.

In addition, we have audited the combined management report (report on the situation of the company and the Group) of DEUTZ Aktiengesellschaft for the financial year from 1 January 2025 to 31 December 2025. We have not audited the content of the sections of the combined management report listed under "OTHER INFORMATION" in accordance with German statutory requirements.

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards"), as adopted by the EU, and with the supplementary German statutory provisions applicable pursuant to Section 315 (1) HGB, and, in compliance with these regulations, give a true and fair view of the Group's net assets and financial position as at as well as its profit or loss for the financial year from 1 January 2025 to 31 December 2025 and
- the accompanying combined management report as a whole gives a true and fair view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German statutory requirements and accurately presents the opportunities and risks associated with future development. Our audit opinion on the combined management report does not extend to the content of the components of the combined management report listed under "OTHER INFORMATION".

In accordance with section 322 (3), first sentence, of the German Commercial Code (HGB), we declare that our audit has not led to any objections regarding the regularity of the consolidated financial statements and the combined management report.

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation (No. 537/2014; hereinafter "EU Audit Regulation") and in accordance with the German standards on the due performance of audits established by the Institute of Public Auditors in Germany (IDW). Our responsibilities under these regulations and standards are described in further detail in the section "THE AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT" of our auditor's report. We are independent of the Group companies in accordance with European Union law and German commercial and professional regulations, and have fulfilled our other German professional obligations in accordance with these requirements.

Furthermore, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided any prohibited non-audit services as defined in Article 5 (1) of the EU Audit Regulation.

We are of the opinion that the audit evidence we have obtained is sufficient and appropriate to serve as a basis for our audit opinions on the consolidated financial statements and the combined management report.

MATTERS OF SIGNIFICANT AUDIT IMPORTANCE IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters which, in our professional judgement, were of the greatest significance in our audit of the consolidated financial statements for the financial year from 1 January 2025 to 31 December 2025. These matters were taken into account in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not express a separate audit opinion on these matters.

We have identified the following matters as the key audit matters to be communicated in our auditor's report:

1. IMPAIRMENT OF SELF-GENERATED INTANGIBLE ASSETS

Matter

In the consolidated financial statements of DEUTZ Aktiengesellschaft as at the balance sheet date of 31 December 2025, internally generated intangible assets amounting to EUR 90.4 million (previous year: EUR 66 million) are recognised under the balance sheet item 'Intangible assets'. Self-generated intangible assets are amortised on a straight-line basis over their expected useful lives. At each balance sheet date, an additional assessment is made to determine whether there is any indication that assets may be impaired. For intangible assets not yet available for use, an impairment test is carried out at least once a year. For the purpose of the impairment test, the legal representatives determine the recoverable amount of the asset or the smallest identifiable group of assets for which cash inflows can be identified largely independently (cash-generating unit). The recoverable amount is the higher of the fair value of an asset or a cash-generating unit less costs to sell and its value in use. The recoverable amount is generally determined initially on the basis of the value in use.

To determine the recoverable amount, the expected future cash flows are discounted to their present value. The cash surpluses are discounted using the term-weighted cost of capital specific to the respective asset or cash-generating unit. An impairment loss arises if the recoverable amount is lower than the carrying amount.

The review concluded that no impairment loss was required for the financial year 2025.

The determination of the recoverable amount depends on the estimates made by the legal representatives regarding future cash inflows and the discount rate to be used. Consequently, there are significant uncertainties in the determination.

The disclosures by DEUTZ Aktiengesellschaft regarding internally generated intangible assets are contained in the sections 'Significant estimates and assumptions', 'Intangible assets' and 'Notes to the balance sheet' in note (13) Intangible assets of the consolidated notes.

Auditor's response

We first gained an understanding of the product development process and the Group's process for capitalising development costs and assessing their recoverability, and assessed whether the internal controls relevant to financial reporting contained therein are appropriately designed. Furthermore, we reviewed the process for identifying and assessing circumstances and developments that could impair the recoverability of the intangible assets.

In testing the recoverability of internally generated intangible assets, we first gained an understanding of the planning process and assessed the methodology and the level at which the recoverability tests were performed. We then assessed the key planning assumptions, taking into account general and sector-specific market expectations, and evaluated the consistency of the plans underlying the impairment tests with the medium-term planning.

We also examined the discount rate used, reviewing the parameters applied and assessing the calculation method with the involvement of our valuation specialists.

In addition, based on a deliberate selection of intangible assets not yet available for use, we examined whether the recognition criteria for a self-generated intangible asset under IAS 38 continue to be met. In doing so, we assessed in particular whether the company remains capable of finalising the internally generated intangible assets that are not yet available for use, and whether the generation of future economic benefits remains probable.

2. ACQUISITION OF THE HJS GROUP, UMS GROUP, SOBEK GROUP, AND OTHER SUBSIDIARIES AND ASSOCIATES

Matter

In the 2025 financial year, the DEUTZ Group carried out several acquisitions of companies and shareholdings:

- With effect from 6 January 2025, the Group acquired 50% of the shares in the HJS Emission Technology Group, Menden, comprising four companies. Due to an existing casting vote arrangement in favour of the DEUTZ Group, the HJS Group is fully consolidated. The agreed purchase price of EUR 3.3 million resulted in a negative difference of EUR 10.7 million, which was recognised as income in the 2025 consolidated financial statements.
- On 2 June 2025, the DEUTZ Group acquired 100% of the shares in the UMS Group, Oss (Netherlands), comprising two companies. The purchase price amounted to EUR 14.5 million and resulted in provisional goodwill of EUR 23.7 million.

- On 2 September 2025, the DEUTZ Group acquired 100% of the shares in the SOBEK Group, Hirschberg, comprising three companies. The purchase price amounted to EUR 124.7 million for the company shares and EUR 7.3 million for land and buildings, resulting in provisional goodwill of EUR 119 million.
- On 3 November 2025, the DEUTZ Group also acquired 100% of the shares in Double Down Heavy LLC (USA). The purchase price was EUR 19.4 million and resulted in provisional goodwill of EUR 17.5 million.
- In addition to these significant acquisitions, a further smaller company in Turkey was acquired in the 2025 financial year, and an existing stake in China was increased from 40% to 60%. Furthermore, an asset deal took place at the level of the US subsidiary DEUTZ Corporation, which was accounted for as a business combination in accordance with IFRS 3. The total purchase prices amounted to EUR 12.1 million and resulted in provisional goodwill totalling EUR 5.6 million and a provisional negative difference of EUR 0.2 million.

The aforementioned transactions resulted in a total increase in the Group's revenue and profit of EUR 73.3 million and EUR 0.9 million respectively in the 2025 financial year. Due to the material significance of the acquisitions for the Group's financial position, results of operations and cash flows, the sometimes complex contractual arrangements, and the existing scope for discretion in the identification and measurement of the acquired assets and liabilities, these transactions constituted a particularly significant audit matter within the scope of our audit.

The Company's disclosures regarding business and investment acquisitions are included in the sections 'Significant estimates and assumptions', 'Consolidated scope', 'Consolidation principles' and 'Business acquisitions' of the notes to the consolidated financial statements.

Auditor's response

As part of our audit, we assessed whether the acquired assets and liabilities constituted a business operation in each case – in particular in the case of the asset deal – and whether the respective transactions were correctly accounted for as business combinations in accordance with IFRS 3. Furthermore, we assessed whether the date of the acquisitions had been correctly determined and appropriately taken into account in these consolidated financial statements. To this end, we reviewed the underlying contracts, due diligence documents, expert reports, as well as evidence of the purchase price payment and regulatory approvals, and on this basis assessed the respective date of initial consolidation.

In our review of the purchase price allocations for the HJS Emission Technology Group, we assessed the identification of

the individual assets and liabilities, as well as their recognition and measurement at fair value at the acquisition date. Where fair values recognised in this context were determined using valuation models, we assessed, with the assistance of our internal specialists, the appropriateness of the models and the plausibility of the assumptions made therein. In addition, based on the corporate law agreements, we assessed whether, despite a 50% shareholding, control within the meaning of IFRS 10 existed and whether full consolidation had been carried out appropriately.

For the remaining transactions, no final purchase price allocations were available during the audit period, but initial provisional valuations were. We reviewed and assessed the provisionally recognised acquired assets and liabilities and the resulting goodwill.

In connection with the increase in the shareholding in the Chinese subsidiary and the full consolidation of the HJS Group, we also examined the presentation of minority interests in equity and their valuation.

Finally, we assessed the appropriateness and completeness of the disclosures regarding business combinations in the notes to the consolidated financial statements in light of the requirements of IFRS 3.

3. IMPAIRMENT OF GOODWILL

Matter

In the consolidated financial statements of DEUTZ Aktiengesellschaft, goodwill amounting to EUR 245.3 million is recognised under the balance sheet item "Intangible assets" as at the balance sheet date of 31 December 2025. Goodwill is tested for impairment by the Company once a year or as and when necessary to determine any potential need for write-downs. The Company carried out the annual impairment test in the 2025 financial year. The impairment test is performed at the level of the DEUTZ Engines & Service and DEUTZ Solutions business segments as the groups of cash-generating units carrying the goodwill. The recoverable amounts of the business segments are compared with the carrying amounts of the business segments, including the allocated goodwill. The recoverable amount of a business segment is initially determined by calculating the fair value less costs to sell using the DCF method (discounted cash flow method). To determine fair value less costs to sell, the expected future cash flows are discounted to their present value using a discount rate that reflects current market expectations regarding the interest rate effect and the specific risks of the group of cash-generating units. The future cash flows are based on management's forecasts.

The determination of fair value less costs to sell is highly dependent on the legal representatives' assessment of the future cash inflows of the respective group of cash-generating

units, the discount rates used, the growth rates and other assumptions, and is therefore subject to considerable uncertainty. Due to the significant uncertainties associated with the valuation, this constitutes a particularly important audit matter.

The disclosures by DEUTZ Aktiengesellschaft regarding goodwill are contained in the sections "Significant estimates and assumptions", "Intangible assets" and "Notes to the balance sheet" in note (13) Intangible assets of the consolidated notes.

Auditor's response

As part of our audit, we have gained an understanding of the Group's planning process and assessed its appropriateness. We have carried out an analysis of past planning, comparing the previous year's plans with actual results and analysing any variances. We also examined whether the forecasts for future cash inflows for the groups of cash-generating units were correctly derived from the approved medium-term plan.

Furthermore, we assessed the appropriate consideration of the costs of Group functions. In addition, with the involvement of our valuation specialists, we reviewed the procedure for

conducting impairment tests and the calculation, and reviewed the mathematical accuracy of the calculation and the model used. We discussed the Group's approved medium-term plan and the assumed long-term growth rates with the Management Board. We reviewed the assumptions underlying the planning and the assumed growth rates by comparing them with past developments and current industry-specific market expectations.

Furthermore, we critically assessed the discount rates used against the average cost of capital of a peer group. To account for existing forecast uncertainties, we reviewed the sensitivity analyses prepared by the company. For groups of cash-generating units where a change in an assumption deemed possible would result in a recoverable amount below the carrying amount of the group of cash-generating units, including the allocated goodwill, we have satisfied ourselves that the necessary disclosures have been made in the notes.

OTHER INFORMATION

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

The other information comprises:

- the combined non-financial group statement contained in the section 'Group Sustainability Statement pursuant to Sections 289b, 315b HGB' of the combined management report
- the separately published corporate governance statement referred to in the section "Corporate Governance Statement pursuant to Sections 289f, 315d of the German Commercial Code (HGB)" of the combined management report
- the disclosures contained in the combined management report that are not part of the combined management report and are marked as unaudited. These include the sections "Assessment of the Adequacy and Effectiveness of the Financial Risk Management System", "Internal Control System", "Assessment of the Adequacy and Effectiveness of the Internal Control System"
- the remaining parts of the annual report, with the exception of the audited consolidated financial statements and the combined management report, as well as our auditor's report

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the other information, and accordingly we do not express an audit opinion or any other form of audit conclusion in respect thereof.

In connection with our audit of the consolidated financial statements, we have a responsibility to read the other information and, in doing so, to assess whether the other information

- contain material inconsistencies with the consolidated financial statements, the combined management report or our knowledge obtained during the audit, or

- otherwise appear to be materially misstated.

If, on the basis of the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report this fact.

We have nothing to report in this regard.

RESPONSIBILITY OF THE LEGAL REPRESENTATIVES AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The legal representatives are responsible for the preparation of the consolidated financial statements, which comply in all material respects with the IFRS accounting standards as adopted by the EU and the supplementary German statutory provisions applicable pursuant to Section 315e(1) 1 HGB, and for ensuring that the consolidated financial statements, in compliance with these regulations, give a true and fair view of the Group's net assets, financial position and results of operations. Furthermore, the legal representatives are responsible for the internal controls they have determined to be necessary to enable the preparation of consolidated financial statements that are free from material misstatements arising from fraudulent acts (i.e. accounting manipulation and financial losses) or errors.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to the Group's ability to continue as a going concern, where relevant. In addition, they are responsible for preparing the financial statements on a going concern basis, unless there is an intention to liquidate the Group or to cease trading, or there is no realistic alternative to doing so.

Furthermore, the legal representatives are responsible for preparing the combined management report, which as a whole provides a true and fair view of the Group's position, is consistent with the consolidated financial statements in all material respects, complies with German statutory requirements and accurately presents the opportunities and risks of future development. Furthermore, the legal representatives are responsible for the arrangements and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German statutory provisions, and to be able to provide sufficient and appropriate evidence for the statements in the combined management report.

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

THE AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole gives a true and fair view of the Group's position, is consistent in all material respects with the consolidated financial statements and with the findings of our audit, complies with German statutory requirements, and accurately presents the opportunities and risks of future development, and to issue an auditor's report containing our opinions on the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Section 317 of the German Commercial Code (HGB) and the EU Audit Regulation, in compliance with the German Standards on Auditing established by the Institute of Public Auditors in Germany (IDW), will always detect a material misstatement. Misstatements may result from fraud or error and are considered material if it could reasonably be expected that, individually or in the aggregate, they would influence the economic decisions of users taken on the basis of these consolidated financial statements and the combined management report.

During the audit, we exercise professional judgement and maintain a critical attitude.

Furthermore,

- we identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report arising from fraud or error, plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinions. The risk that a material misstatement resulting from fraud will not be detected is higher than the risk that a material misstatement resulting from error will not be detected, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the circumvention of internal controls.
- we obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the arrangements and measures relevant to the audit of the combined management report in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the

effectiveness of the Group's internal controls or of these arrangements and measures.

- we assess the appropriateness of the accounting policies applied by the legal representatives and the reasonableness of the estimated values and related disclosures presented by the legal representatives.
- we draw conclusions on the appropriateness of the going concern accounting policy applied by the legal representatives and, based on the audit evidence obtained, whether there is any material uncertainty relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the relevant disclosures in the consolidated financial statements and the combined management report or, if these disclosures are inadequate, to modify our audit opinion accordingly. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or circumstances may result in the Group being unable to continue as a going concern.
- We assess the presentation, structure and content of the consolidated financial statements as a whole, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in such a way that the consolidated financial statements, in accordance with IFRS as adopted by the EU and the supplementary German statutory provisions applicable pursuant to Section 315e (1) HGB, give a true and fair view of the Group's financial position, results of operations and cash flows.
- We plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the companies or business segments within the Group as a basis for forming our audit opinions on the consolidated financial statements and the combined management report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.

- We assess the consistency of the combined management report with the consolidated financial statements, its compliance with the law and the picture it conveys of the Group's financial position.
- We perform audit procedures in relation to the forward-looking statements presented by the legal representatives in the combined management report. On the basis of sufficient and appropriate audit evidence, we verify, in particular, the significant assumptions underlying the forward-looking statements made by the legal representatives and assess whether the forward-looking statements have been appropriately derived from these assumptions. We do not express a separate audit opinion on the forward-looking statements or the underlying assumptions. There is a significant and unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, amongst other things, the planned scope and timing of the audit, as well as significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide a statement to those charged with governance confirming that we have complied with the relevant independence requirements, and discuss with them all relationships and other matters that could reasonably be expected to affect our independence, and, where relevant, the actions taken or safeguards implemented to address independence threats. We identify, from the matters discussed with those responsible for oversight, those matters that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in the auditor's report, unless laws or other regulations preclude public disclosure of the matter.

OTHER STATUTORY AND REGULATORY REQUIREMENTS

STATEMENT ON THE AUDIT OF THE ELECTRONIC REPRODUCTIONS OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR DISCLOSURE PURPOSES IN ACCORDANCE WITH SECTION 317(3A) OF THE GERMAN COMMERCIAL CODE (HGB)

Audit opinion

In accordance with Section 317 (3a) of the German Commercial Code (HGB), we have conducted an audit to obtain reasonable assurance as to whether the representations of the consolidated financial statements and the combined management report contained in the file "deutz_KA_KLB_de_2025-12-31.xbri" and prepared for disclosure purposes comply in all material respects with the requirements of Section 328 (1) of the German Commercial Code (HGB) regarding the electronic reporting format ("ESEF format"). In accordance with German statutory requirements, this audit extends only to the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore neither to the information contained in these representations nor to other information contained in the aforementioned file .

In our opinion, the representations of the consolidated financial statements and the combined management report contained in the above-mentioned file and prepared for disclosure purposes comply in all material respects with the requirements of section 328(1) of the German Commercial Code (HGB) regarding the electronic reporting format. We draw attention to this audit opinion and to the audit opinions contained in the preceding "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" on the attached consolidated financial statements and the attached combined management report for the financial year from 1 January 2025 to 31 December 2025, we do not express any audit opinion on the information contained in these representations or on the other information contained in the aforementioned file.

Basis for the audit opinion

We have conducted our audit of the electronic versions of the consolidated financial statements and the combined management report contained in the file referred to above in accordance with section 317 (3a) of the German Commercial Code (HGB), taking into account IDW Auditing Standard: Audit of Electronic Representations of Financial Statements and Management Reports Prepared for Disclosure Purposes in accordance with Section 317 (3a) of the German Commercial Code (HGB) (IDW PS 410 (06.2022)) and International Standard on Assurance Engagements 3000 (Revised). Our responsibilities in this regard are described in further detail in the section 'Responsibilities of the auditor of the consolidated financial statements for the audit of the ESEF documents'. Our

audit firm has applied the requirements of the quality assurance system set out in the IDW Quality Management Standard: Requirements for Quality Management in the Audit Practice (IDW QMS 1 (09.2022)).

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

The legal representatives of the company are responsible for the preparation of the ESEF documents containing the electronic versions of the consolidated financial statements and the combined management report in accordance with section 328 (1), sentence 4, no. 1 of the German Commercial Code (HGB) and for the labelling of the consolidated financial statements in accordance with section 328 (1), sentence 4, no. 2 of the German Commercial Code (HGB).

Furthermore, the company's legal representatives are responsible for the internal controls they deem necessary to enable the preparation of the ESEF documents, which must be free from material — intentional or unintentional — breaches of the requirements of Section 328 (1) of the German Commercial Code (HGB) regarding the electronic reporting format.

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

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents

Our objective is to obtain reasonable assurance as to whether the ESEF documents are free from material — intentional or unintentional — breaches of the requirements of section 328 (1) of the German Commercial Code (HGB). During the audit, we exercise due professional judgement and maintain a critical mindset. Furthermore,

- we identify and assess the risks of material — intentional or unintentional — non-compliance with the requirements of section 328 (1) of the German Commercial Code (HGB), plan and perform audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as a basis for our audit opinion.
- we gain an understanding of the internal controls relevant to the audit of the ESEF documents in order to plan audit procedures that are appropriate in the circumstances, but not with the aim of expressing an audit opinion on the effectiveness of these controls.
- we assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents complies with the requirements of Delegated Regulation (EU) 2019/815, as in force at the balance sheet date, regarding the technical specification for this file.

- we assess whether the ESEF documents enable an XHTML reproduction of the audited consolidated financial statements and the audited combined management report that is identical in content.
- we assess whether the tagging of the ESEF documents using Inline XBRL (iXBRL) technology, in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as in force on the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML representation.

OTHER DISCLOSURES IN ACCORDANCE WITH ARTICLE 10 OF THE EU-APRVO

We were appointed as statutory auditors by the Annual General Meeting on 8 May 2025. We were appointed by the Supervisory Board on 7 November 2025. We have served as statutory auditors of the consolidated financial statements of DEUTZ Aktiengesellschaft without interruption since the financial year 2024.

We confirm that the audit opinions contained in this audit report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (Audit Report).

OTHER MATTERS — USE OF THE AUDIT OPINION

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited combined management report, as well as the audited ESEF documents. The consolidated financial statements and combined management report converted into the ESEF format — including the versions to be filed with the commercial register — are merely electronic representations of the audited consolidated financial statements and the audited combined management report

and do not replace them. In particular, the ESEF statement and our audit opinion contained therein are only to be used in conjunction with the audited ESEF documents provided in electronic form.

AUDITOR IN CHARGE

The auditor in charge for the audit is Christoph Hyckel.

Hamburg, 17 March 2026

BDO AG
Wirtschaftsprüfungsgesellschaft

signed Winkler
German Public Auditor

signed Hyckel
German Public Auditor

DEUTZ GROUP: MULTI-YEAR OVERVIEW

€ million

	2021	2022	Continuing operations 2023 ³⁰⁴	Continuing operations 2024 ³⁰⁵	2025
New orders	2,012.6	1,980.8	1,749.9	1,827.1	2,077.7
Revenue ³⁰⁶	1,617.3	1,892.1	2,063.2	1,813.7	2,043.8
DEUTZ Classic	1,563.4	1,889.4	2,058.2		
DEUTZ Green	53.9	2.7	5.0		
DEUTZ Engines & Services				1,723.6	1,861.0
DEUTZ Solutions				90.1	182.8
EBITDA	123.1	186.6	232.2	146.0	169.6
EBITDA (before exceptional items)	126.2	192.5	252.3	170.2	208.0
EBIT	34.1	97.6	123.5	41.9	73.9
Adjusted EBIT (before exceptional items)	37.2	103.5	143.6	76.7	112.3
EBIT margin (%)	2.1	5.2	6.0	2.3	3.6
EBIT margin (before exceptional items, %)	2.3	5.5	7.0	4.2	5.5
Net income	38.2	95.4	106.9	42.0	54.1
Earnings per share (€)	0.32	0.79	0.86	0.32	0.37
Dividend per share (in the year of distribution, €)	—	0.15	0.15	0.17	0.17
Equity ³⁰⁷	588.4	668.8	743.2	847.9	980.0
Equity ratio (%) ³⁰⁸	45.6	45.3	46.7	50.4	51.3
Free cash flow	21.6	6.4	41.8	-153.1	-119.5
Net financial position ³⁰⁹	-79.7	-155.9	-163.4	-225.6	-269.4
Working capital ³¹⁰	253.2	313.8	379.8	383.0	382.9
Working capital ratio (average, %) ³¹¹	15.5	15.6	17.7	22.2	18.6
Capital expenditure (after deducting grants) ³¹²	65.7	99.6	114.5	100.2	90.3
Research and development expenditure (after deducting grants)	82.3	84.7	97.9	93.4	85.0
Employees (number as at December 31) ³¹³	4,751	4,773	5,084	5,228	5,712

³⁰⁴ In accordance with IFRS 5, continuing operations do not include the Torqeedo Group.

³⁰⁵ In accordance with IFRS 5, continuing operations do not include the Torqeedo Group.

³⁰⁶ New Segmentation since 2025. The 2024 figures have been adjusted accordingly.

³⁰⁷ Key figure from the perspective of the entire Group including discontinued operations.

³⁰⁸ Key figure from the perspective of the entire Group including discontinued operations.

³⁰⁹ Cash and cash equivalents less current and non-current interest-bearing financial liabilities.

³¹⁰ Inventories plus trade receivables less trade payables.

³¹¹ Working Capital as the average of the last four quarterly reporting dates in relation to sales over the past twelve months.

³¹² Capital expenditure on property, plant and equipment (including right-of-use assets in connection with leases) and intangible assets, excluding capitalized development expenditure in relation to the product portfolio.

³¹³ Number of employees expressed as full-time equivalents (FTEs).

DEUTZ GROUP: MULTI-YEAR OVERVIEW

€ million

	2021	2022	Continuing operations 2023	Continuing operations 2024	2025
Revenue by region³¹⁴	1,617.3	1,892.1	2,063.2	1,813.7	2,043.8
Europe/Middle East/Africa	1,030.6	1,170.5	1,252.6	1,042.9	1,214.9
Americas	294.6	419.6	504.0	527.0	579.0
Asia-Pacific	292.1	302.0	306.6	134.3	138.2
China				109.5	111.7
Revenue by application segment	1,617.3	1,892.1	2,063.2	1,813.7	2,043.8
Construction Equipment	490.7	577.0	586.1	407.1	462.6
Material Handling	284.1	355.4	467.9	457.3	445.8
Stationary Equipment	120.3	179.7	184.8	167.3	257.0
Agricultural Machinery	206.1	275.3	272.3	197.6	216.7
Service	403.1	449.8	483.8	511.6	556.7
Miscellaneous	113.0	54.9	68.3	72.8	105.0
Key figures for DEUTZ shares					
Number of shares (Dec. 31)	120,861,783	120,861,783	126,147,195	138,761,914	152,638,105
Number of shares (average)	120,861,783	120,861,783	124,901,865	132,420,088	143,095,848
Share price (Dec. 31, €)	6.57	4.05	4.80	4.04	8.50
Share price high (€) ³¹⁵	8.29	7.00	6.03	6.26	9.95
Share price low (€) ³¹⁶	5.10	3.02	3.69	3.93	4.02
Market capitalization (Dec. 31, € million)	794.1	489.0	605.5	560.3	1,297.4
Earnings per share (€)	0.32	0.66	0.66	0.39	0.37
Earnings per share (before exceptional items, €)	0.34	0.83	1.00	0.55	0.61

³¹⁴ New distribution since 2025. The 2024 figures have been adjusted accordingly.

³¹⁵ Xetra closing prices; based on the period January 1 to December 31 of the year in question.

³¹⁶ Xetra closing prices; based on the period January 1 to December 31 of the year in question.

FINANCIAL CALENDAR

2026

May 7	Quarterly statement for the first quarter of 2026 Conference call with analysts and investors
May 13	Annual General Meeting
August 6	Interim report for the first half of 2026 Conference call with analysts and investors
November 5	Quarterly statement for the first to third quarter of 2026 Conference call with analysts and investors

2027

March 30	2026 annual report Annual results press conference with analysts and investors
May 4	Quarterly statement for the first quarter of 2027 Conference call with analysts and investors
May 13	Annual General Meeting
August 11	Interim report for the first half of 2027 Conference call with analysts and investors
November 10	Quarterly statement for the first to third quarter of 2027 Conference call with analysts and investors



« FURTHER INFORMATION AT
www.deutz.com/en/investor-relations/financial-calendar

CONTACT

DEUTZ AG

Ottostrasse 1
51149 Cologne (Porz-Eil), Germany

Investor Relations

Telephone +49 (0) 221 822 24 98
Fax +49 (0) 221 822 15 24 91
Email ir@deutz.com
Website www.deutz.com/en/

CREDITS

Published by

DEUTZ AG
51149 Cologne (Porz-Eil), Germany

Graphic design

Hilger Boie Waldschütz, Wiesbaden, Germany

Photography

Nils Röscher, Kamp-Lintfort, Germany
Stephan Pick, Cologne, Germany

English Translation

LingServe Limited, Aldershot, United Kingdom
Bersal Übersetzungen, Niebüll, Germany

This is a complete translation of the original German version of the annual report.

