

Consolidated financial statements 2025

EEW Holding GmbH
Helmstedt/Germany

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CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated statement of profit and loss

in kEUR		2025	2024 adjusted*
Revenue from contracts with customers	5.1	893,855	889,081
Own work capitalized		3,795	4,578
Other operating income	5.2	44,849	42,069
Cost of materials	5.3		
Cost of raw materials, consumables and supplies and of purchased merchandise*		-171,648	-155,022
Cost of purchased services*		-268,811	-271,485
Total cost of materials		-440,459	-426,507
Personnel expenses	5.4		
Wages and salaries		-121,680	-110,005
Social security		-21,969	-19,823
Post-employment costs		-3,878	-3,864
Other personnel expenses		-79	-97
Total personnel expenses		-147,606	-133,789
Amortization, depreciation and write-downs			
Amortization of intangible assets	6.1	-10,652	-8,242
Depreciation of property, plant and equipment	6.1	-102,124	-95,495
Total amortization, depreciation and write-downs	6.1	-112,776	-103,737

* The prior-year figures have been adjusted due to changes to disclosures (see section 2 "notes to the consolidated financial statements").

Consolidated statement of profit and loss

in kEUR		2025	2024 adjusted*
Other operating expenses	5.5	-105,692	-92,477
EBIT		135,966	179,218
Interest and similar income		2,658	3,502
Interest and similar expenses		-14,236	-10,226
Share of joint ventures accounted for using the equity method in earnings		334	-426
Investment result		569	570
Financial result	5.6	-10,675	-6,580
Earnings before taxes		125,291	172,638
Income taxes	5.7		
Current taxes		-29,834	-60,242
Deferred taxes		5,176	6,597
Total income taxes		-24,658	-53,645
Consolidated profit for the period		100,633	118,993
— thereof shareholders of EEW Holding GmbH		82,972	99,642
— thereof non-controlling interests		17,661	19,351

* The prior-year figures have been adjusted due to changes to disclosures (see section 2 “notes to the consolidated financial statements”).

2. Consolidated statement of comprehensive income

in kEUR		2025	2024
Consolidated profit for the period		100,633	118,993
Items not reclassified to profit or loss in future periods			
Actuarial gains/losses	6.7	11,920	1,050
thereon income taxes		-3,587	-314
Changes in the fair value of equity instruments		-729	-2,728
Items that will be reclassified to profit or loss in future periods under certain conditions			
Exchange rate differences from the translation of foreign operations		4	2
- thereof unrealized changes		4	2
Other comprehensive income		7,608	-1,990
Total comprehensive income		108,241	117,003
— thereof shareholders of EEW Holding GmbH		90,489	97,660
— thereof non-controlling interests		17,752	19,343

Consolidated balance sheet

3. Consolidated balance sheet

ASSETS in kEUR		Dec. 31, 2025	Dec. 31, 2024
Non-current assets			
Intangible assets	6.1	34,227	40,463
Property, plant and equipment	6.1	1,530,697	1,401,307
Joint ventures accounted for using the equity method	3	7,174	7,214
Sundry financial assets	6.2	15,451	17,439
Receivables and other current assets			
Other receivables and other current assets	6.4	37,362	25,906
Total receivables and other current assets		37,362	25,906
Deferred tax assets	6.5	17,318	24,619
Total non-current assets		1,642,229	1,516,948
Current assets			
Sundry financial assets	6.2	1,250	1,250
Inventories	6.3	136,040	100,592
Receivables and other current assets			
Trade receivables	6.4	103,294	126,978
Contract assets	6.4	45,597	33,424
Reimbursement claims from income taxes	6.4	16,310	15,118
Reimbursement claims from other taxes	6.4	3,364	2,806
Other receivables and other current assets	6.4	32,044	44,191
Total receivables and other current assets		200,609	222,517
Cash and cash equivalents		38,931	34,961
Total current assets		376,830	359,320
Total assets		2,019,059	1,876,268

EQUITY AND LIABILITIES in kEUR		Dec. 31, 2025	Dec. 31, 2024
Equity			
Subscribed capital	6.6	1,000	1,000
Capital reserves	6.6	275,900	275,900
Other revenue reserves/profit or loss carryforward	6.6	224,994	205,678
Profit or loss attributable to controlling interests		82,972	99,642
Equity attributable to the shareholders of EEW Holding GmbH		584,866	582,220
Non-controlling interests	3	62,794	64,665
Total equity		647,660	646,885
Non-current liabilities			
Pension provisions	6.7	48,748	58,805
Other provisions	6.8	21,797	22,627
Bonds	6.9	0	399,412
Liabilities to banks	6.9	1,998	1,999
Lease liabilities	6.11	15,102	10,510
Other financial liabilities	6.9	271,740	267,430
Investment grants	6.9	14,238	14,714
Other liabilities	6.9	630	707
Deferred tax liabilities	6.5	59,710	68,598
Total non-current liabilities		433,963	844,802
Current liabilities			
Other tax provisions	6.8	5,242	3,501
Other provisions	6.8	103,593	87,615
Bonds	6.9	400,526	722
Liabilities to banks	6.9	185,389	157,192
Lease liabilities	6.11	6,910	1,825
Other financial liabilities	6.9	13,256	7,133
Trade payables	6.9	82,738	57,892
Income tax liabilities	6.9	18,066	30,375
Other liabilities	6.9	121,716	38,326
Total current liabilities		937,436	384,581
Total equity and liabilities		2,019,059	1,876,268

4. Consolidated statement of cash flows

in kEUR			2025	2024
	Consolidated profit for the period		100,633	118,993
+/-	Tax expense/tax income	5.7	24,658	53,645
-	Investment result		-903	-144
-	Interest income		-2,658	-3,502
+	Interest expenses		14,236	10,226
+	Amortization, depreciation and write-downs	6.1	112,776	103,737
+/-	Increase/decrease of pension provisions		-20	-933
+/-	Increase/decrease of other tax provisions		1,741	-7,579
+/-	Increase/decrease of other provisions		90,052	70,323
+/-	Other non-cash expenses and income		789	0
+/-	Losses/gains from the disposal of property, plant and equipment		1,415	1,104
-/+	Increase/decrease of inventories		-107,476	-74,074
-/+	Increase/decrease of trade receivables		9,972	-15,084
-/+	Increase/decrease of other receivables and other current assets		1,211	853
+/-	Increase/decrease of trade payables		10,972	-26,967
+/-	Increase/decrease of other liabilities		-1,463	15,032
+	Dividends received		953	1,019
+	Interest received		953	2,972
-	Interest paid		-14,656	-13,473
-/+	Income tax payments/refunds		-43,336	-55,037
	Cash flow from operating activities		199,849	181,111
-	Payments to acquire intangible fixed assets	6.1	-3,916	-10,007
+	Proceeds from disposal of tangible fixed assets	6.1	1,841	371
-	Payments to acquire tangible fixed assets	6.1	-202,885	-234,706
+	Proceeds from disposal of financial assets and non-current financial receivables		2,050	1,250
-	Payments to acquire financial assets and non-current financial receivables		-2,327	0
	Cash flow from investing activities		-205,237	-243,092
+	Proceeds from current loans	7	29,926	25,000
-	Payments for redemption of current financial liabilities	7	0	-23,043
+	Proceeds from non-current financial liabilities	7	5,635	96,050
-	Payments for redemption of non-current financial liabilities	7	-1,348	0
-	Payments for the repayment of lease liabilities	7	-2,471	-2,442
-	Dividends paid to the shareholder of the Parent		-3,000	0
-	Dividends paid to non-controlling interests		-19,388	-19,506
	Cash flow from financing activities		9,354	76,059
	Net change in cash funds		3,966	14,078
	Cash funds at the beginning of the period		34,961	20,881
+/-	Exchange rate-related change in cash funds		4	2
	Cash funds at the end of the period		38,931	34,961

Consolidated statement of changes in equity

5. Consolidated statement of changes in equity

in kEUR	Subscribed capital	Capital reserves	Other revenue reserves Profit/loss carryforward Consolidated profit for the period	Reserve for currency translation of foreign companies
Balance as at Jan. 1, 2025	1,000	275,900	310,038	71
Consolidated profit for the period	0	0	82,972	0
Other comprehensive income	0	0	0	4
Total comprehensive income	0	0	82,972	4
Dividends	0	0	-82,900	0
Reclassification	0	0	206	1
Disposal of shares due to absorption by way of accrual	0	0	-5,178	0
Balance as at Dec. 31, 2025	1,000	275,900	305,138	76

in kEUR	Subscribed capital	Capital reserves	Other revenue reserves Profit/loss carryforward Consolidated profit for the period	Reserve for currency translation of foreign companies
Balance as at Jan. 1, 2024	1,000	275,900	265,096	69
Consolidated profit for the period	0	0	99,642	0
Other comprehensive income	0	0	0	2
Total comprehensive income	0	0	99,642	2
Dividends	0	0	-54,700	0
Balance as at Dec. 31, 2024	1,000	275,900	310,038	71

Consolidated statement of changes in equity

in kEUR	Reserve for actuarial gains/losses	Reserve for changes in the fair value of equity instruments	Equity of the shareholders of EEW Holding GmbH	Non-controlling interests	Group equity
Balance as at Jan. 1, 2025	-3,507	-1,282	582,220	64,665	646,885
Consolidated profit for the period	0	0	82,972	17,661	100,633
Other comprehensive income	8,242	-729	7,517	91	7,608
Total comprehensive income	8,242	-729	90,489	17,752	108,241
Dividends	0	0	-82,900	-19,388	-102,288
Reclassification	34	-6	235	-235	0
Disposal of shares due to absorption by way of accrual	0	0	-5,178	0	-5,178
Balance as at Dec. 31, 2025	4,769	-2,017	584,866	62,794	647,660

in kEUR	Reserve for actuarial gains/losses	Reserve for changes in the fair value of equity instruments	Equity of the shareholders of EEW Holding GmbH	Non-controlling interests	Group equity
Balance as at Jan. 1, 2024	-4,241	1,436	539,260	64,828	604,088
Consolidated profit for the period	0	0	99,642	19,351	118,993
Other comprehensive income	734	-2,718	-1,982	-8	-1,990
Total comprehensive income	734	-2,718	97,660	19,343	117,003
Dividends	0	0	-54,700	-19,506	-74,206
Balance as at Dec. 31, 2024	-3,507	-1,282	582,220	64,665	646,885

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

EEW Holding GmbH (EEW Holding, Brunswick Local Court, HRB no. 204030) has its registered office in Helmstedt/Germany. The address of the Company's registered office is:

Schöninger Str. 2-3
38350 Helmstedt/Germany

The EEW Group designs, builds and operates energy from thermal waste recovery plants that generate electricity, district heating and process steam. In 2025, 13 out of currently 17 plant sites were operated as independent businesses and four plants were managed by EEW on the basis of long-term operational management agreements. The EEW Group is the leading private-sector provider of waste incineration in Germany (in terms of annual waste incineration capacity) with further operations in Luxembourg and the Netherlands.

The ultimate parent of EEW Holding GmbH is Beijing Enterprises Holdings Ltd., Hong Kong/China (BEHL), which as of December 31, 2025 holds all of the shares in EEW Holding, via Beijing Enterprises Holdings European Investment Management S.à r.l., Luxembourg/Luxembourg (BEHEIM). The financial statements of BEHL are available on the Hong Kong Stock Exchange website (HKEXnews, Listed Company Information).

The consolidated financial statements for the financial year from January 1 to December 31, 2025 include EEW Holding and its subsidiaries (EEW), whose financial years correspond to the calendar year.

The consolidated financial statements of EEW Holding and its subsidiaries were prepared in accordance with the IFRS[®] Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee's (IFRIC) interpretations applicable and endorsed by the European Union as of the balance sheet date, and also in compliance with commercial law regulations applicable under Sec. 315e German Commercial Code (HGB).

The consolidated financial statements were prepared in euros. Unless otherwise noted, the amounts are stated in thousands of euros (kEUR). The amounts are commercially rounded in each case.

The consolidated financial statements were prepared by the board of management on April 10, 2026 and authorized for issuance.

Basis of preparation

2. Basis of preparation

The consolidated financial statements are prepared at amortized cost. Certain financial assets are measured at fair value. See our notes on financial instruments for further information.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The balance sheet is classified using the current/non-current distinction. The consolidated statement of profit and loss is prepared according to the nature of expense method.

Recognition of revenue and expenses

Revenue from contracts with customers

Revenue from contracts with customers is recognized in accordance with IFRS 15, which provides that an entity shall recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled for the performance obligations assumed, i.e., in exchange for goods or services. This core principle is implemented using a five-step framework model:

1. Identify the contract(s) with a customer
2. Identify the separate performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations under the contract
5. Recognize the revenue upon fulfillment of the performance obligations by the entity

1. Identify the contract(s) with a customer

In identifying contracts, EEW also takes into consideration arrangements resulting from legal regulations.

2. Identify the separate performance obligations in the contract

As part of the second analysis step, the model identifies EEW's contractual performance obligations, i.e., the promised goods and services, and examines them to identify whether they are capable of being distinct and are distinct within the context of the contract. If the promised goods or services are not distinct, they are combined with other goods or services until the Company identifies a bundle of goods or services that is distinct. As a rule, EEW acts as the principal.

EEW assigns the customer contracts with similar performance obligations to the following categories:

Overview of the EEW contract categories		
Performance obligations	Contract types	Customer categories
Waste disposal	Waste contracts	Municipal
		Commercial
		Spot
		Imports
Energy marketing	Energy contracts	Electricity
		Heat/steam
		Other
Operational management	Operational management agreements	

The waste disposal category includes thermal waste recovery and thermal sewage sludge recovery. In the waste disposal category, similar contracts are combined into customer categories. Municipal and commercial contracts account for the largest contractual volume. Municipal contracts have terms of up to 35 years, while spot contracts have terms of less than 12 months. EEW flexibly manages the utilization of recovery capacities through contracts on the spot market. The performance obligation is fulfilled when the Company accepts delivery of the waste at the energy from waste plant and thus assumes its waste disposal obligation. A processing provision is recognized for the costs of the thermal recovery of waste not yet processed as of the balance sheet date.

In the energy marketing category, the Company distinguishes between electricity, heat and steam as well as other energy contracts. As a rule, long-term heat and steam supply agreements are in place. Electricity supply agreements are typically of a short-term nature. The performance obligation under energy contracts consists of energy supply to customers. Energy is supplied over time. The volumes of supplied energy are determined using meters. For pricing arrangements based on annual volumes, the Company charges installment payments toward the final bill. Energy supplies that cannot yet be finally settled are recognized as contract assets at the balance sheet date.

In the operational management category, the performance obligation, i.e., the operation of an energy from waste plant on behalf of a third party, is satisfied over time. The contracts are long term. For pricing arrangements based on annual volumes (e.g., waste acceptance volumes, quantity of steam or electricity supplied), the Company charges installment payments on the final invoice. Contract assets are recognized if final billing of this variable consideration has not taken place by the balance sheet date.

3. Determining the transaction price

EEW's customer contracts include fixed and variable consideration components. Variable consideration components are estimated on the basis of the expected value. There are no rights of return, licenses, significant financing components, non-cash consideration or consideration payable to a customer. The payment terms are customary for the industry and generally range from 7 to 30 days.

4. Allocating the transaction price to the performance obligations under the contract

The customer contracts contain only one distinct performance obligation. As a result, the transaction price is not allocated and revenue is recognized immediately upon performance.

5. Recognizing the revenue upon fulfillment of the performance obligations by the entity

The right to consideration is established upon satisfaction of the performance obligations, i.e., the transfer of control over the services provided. For waste disposal, this takes place at a point in time. For energy marketing and operational management, the performance obligations are satisfied over time. Costs to obtain contracts are not recognized as an asset due to their immateriality.

Basis of preparation

The contract analysis yielded the following results:

Performance obligation	Variable consideration	Significant payment terms
Waste disposal	None	Payment terms that are customary for the industry
		No financing component
Energy marketing	Yes – distinct and determinable on a monthly basis	Payment terms that are customary for the industry
		No financing component
Operational management	Yes – distinct and determinable on a monthly basis	Payment terms that are customary for the industry
		No financing component

Interest income and expenses

Interest is recognized as an income or expense item in the period to which it relates using the effective interest method. Interest expenses incurred in connection with the acquisition or production of qualifying assets are recognized as assets if material. Transaction costs are also included where applicable.

Intangible assets and property, plant and equipment

Non-current assets are measured at cost less accumulated amortization/depreciation and impairment losses, if any.

The cost of an item of property, plant and equipment or of an intangible asset includes:

- the purchase price, including import duties and non-reimbursable turnover taxes, after deducting trade discounts and rebates;
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The residual carrying amounts and useful lives of each asset are reviewed at least at the end of every financial year. Intangible assets and property, plant and equipment are tested for impairment if events or changes in circumstances indicate that the carrying amount may no longer be recoverable.

Production costs comprise the full costs relating to production.

Intangible assets and property, plant and equipment have limited useful lives and are amortized/depreciated using the straight-line method over the following useful lives:

Intangible assets

Software, licenses and patents	3 to 8 years
Customer-related intangible assets (contracts, etc.)	up to 17 years

Property, plant and equipment

Land	no depreciation
Buildings	13 to 50 years
Technical equipment and machinery	3 to 33 years
Other equipment, operating and office equipment	3 to 16 years

Investment subsidies and investment grants from governments are not deducted from the cost of an asset; they are recognized as liabilities and released to income over the same period in which the subsidized asset is depreciated or amortized.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are recognized as an asset, if material, and are amortized over the useful life of the facility. A qualifying asset is an asset that necessarily takes a substantial period of time to be prepared for its intended use or sale. Borrowing costs are calculated using a group-wide borrowing rate. For funds borrowed specifically for a qualifying asset, the interest rate on these borrowings is applicable.

Leases

At present, EEW enters into lease agreements exclusively as a lessee.

For transactions in which EEW acts as the lessee, an asset is recognized for the right of use granted and a lease liability is recognized starting from the commencement date of the lease.

At the commencement date, the liability is recognized at the present value of the lease payments that have not yet been made (fixed and variable payments pegged to an index or to a reference interest rate) including, if applicable, the exercise price for any bargain purchase option (reasonably certain) for the underlying asset of the lease. EEW's incremental borrowing rate is regularly used as the discount rate. The right-of-use asset comprise at initial measurement the corresponding lease liability, the lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. Subsequent measurement is carried out at cost less accumulated depreciation/amortization and any impairments.

The following approach will be adopted taking into account the options and practical expedients pursuant to IFRS 16:

- The recognition, measurement and disclosure requirements of IFRS 16 are not applied to short-term leases (up to 12 months) and leases of low-value assets.

Basis of preparation

- As a rule, the option to not separate lease components and non-lease components of an agreement and to account for them as a single lease component is not exercised. Accordingly, non-lease components are separated where necessary and accounted for in accordance with the applicable standards.
- IFRS 16 is not applied to leases of intangible assets.
- Right-of-use assets from leases are stated under property, plant and equipment.
- Lease liabilities are recognized as a separate line item in the statement of financial position.

The right-of-use asset is generally depreciated over the lease term. If a purchase option was included in measurement or if ownership of the asset is transferred to EEW at the end of the lease term, amortization is charged over the economic life of the asset. The liability is measured using the effective interest method in subsequent periods.

When reassessing the lease term regarding the exercise of purchase or renewal options that were not previously taken into account, or in the event of contract amendments that are not recognized as separate leases, the lease liability is remeasured and the corresponding right-of-use asset is adjusted accordingly using an updated interest rate.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is to be determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the expected future cash flows, which also reflect the asset-specific risks, are discounted to their present value using a pre-tax discount rate that reflects current market expectations of the time value of money. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

Inventories

Raw materials, consumables and supplies are measured at the lower of acquisition or production cost using the average method or the FIFO method (first-in, first-out), and net realizable value. The CO₂ emission certificates are recognized at their acquisition cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and are recognized at nominal values.

Financial instruments

Financial instruments are contracts that give rise to a financial asset of one contractual party and a financial liability or equity instrument of another party.

Financial assets – first-time recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost (AC), fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the business model for managing them.

The business model for managing financial assets refers to how an entity manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

A financial asset is measured at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at the individual financial instrument level.

Financial assets are measured at fair value, with the exception of receivables that do not contain a significant financing component or for which the practical expedient set out under IFRS 15 is applied for terms of up to 12 months (on the assumption that no financing component exists) and with the exception of loan receivables and cash and cash equivalents. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

Financial assets measured at amortized cost (debt instruments held)

Financial assets measured at amortized cost are subsequently measured using the effective interest method and are subject to impairment tests. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The financial assets measured at amortized cost largely include loan receivables, trade receivables as well as cash and cash equivalents.

Financial assets designated at FVTOCI (equity instruments held)

Valuation gains and losses from this category are never reclassified to profit or loss. Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case such gains are recorded in other comprehensive income.

Basis of preparation

Equity instruments classified as FVTOCI were irrevocably allocated to this category and are recognized under financial assets. The Group considers this classification to be more meaningful than recognizing short-term fluctuations in fair value in the statement of profit and loss, as these are strategic financial investments.

Impairment of financial assets

If significant, an allowance for expected credit losses (ECLs) is recognized for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For financial instruments for which there has not been a significant increase in credit risk since initial recognition, a risk provision is recognized in the amount of the ECLs that result from default events that are possible within the next 12 months (a 12-months ECL). For those financial instruments for which there has been a significant increase in credit risk since initial recognition, a risk provision is recognized for the expected credit losses over the remaining lifetime of the exposure, regardless of when the default event occurs (a lifetime ECL).

For financial instruments that are credit-impaired already at initial recognition or acquisition, no existing ECLs are recognized at the time of acquisition. Only changes in the expected credit losses over the residual term are taken into account. The effective interest rate is applied to the expected future cash flows.

A financial asset is considered impaired if internally generated information or information obtained from external sources indicates that it is unlikely that the debtor will be able to meet its payment obligations. There is an objective indication of impairment if the debtor is experiencing significant financial difficulties or it is likely that the debtor will become bankrupt. In order to assess the credit risk, default estimates are applied that are based on data found to predict the exposure to loss. Such data primarily include external credit reports, audited financial statements and available press releases.

For trade receivables and contract assets, a simplified approach in calculating ECLs is applied. Changes in credit risk are not tracked, but instead a risk provision based on lifetime ECLs is recognized at each reporting date. Risk provisions are determined using a provision matrix that is based on the likelihood that a receivable will pass through consecutive stages of arrears. The loss rates are calculated based on the actual credit losses over the past few years, with each plant site calculated separately. The EEW Group has a low ECL risk due to the industry and its customer structure (e.g., municipal customers and large energy marketing partners).

The Group derecognizes a trade receivables if there is no realistic prospect of payment, e.g., if the debtor is in insolvency proceedings.

The following tables provide information on the estimated exposure to credit risk and ECLs for trade receivables and contract assets.

Dec. 31, 2025	Impairment matrix			
Status	Expected loss rates (weighted average)	Gross carrying amount (in kEUR)	Valuation allowance (in kEUR)	Credit impairment
Not due	0.01%	122,574	8	no
1 to 30 days past due	0.16%	13,743	19	no
31 to 60 days past due	0.04%	973	0	no
61 to 90 days past due	0.44%	746	3	no
More than 90 days past due	2.81%	11,200	315	no
Total		149,236	345	

Dec. 31, 2024	Impairment matrix			
Status	Expected loss rates (weighted average)	Gross carrying amount (in kEUR)	Valuation allowance (in kEUR)	Credit impairment
Not due	0.00%	137,299	0	no
1 to 30 days past due	0.15%	12,273	0	no
31 to 60 days past due	0.00%	704	0	no
61 to 90 days past due	0.13%	1015	0	no
More than 90 days past due	3.23%	9,411	300	no
Total		160,702	300	

The impairment losses resulting from the loss rates of items without recognized impairment losses are immaterial and are therefore not disclosed.

Financial liabilities

All financial liabilities are measured at amortized cost using the effective interest method. At EEW, this category includes bonds, liabilities to banks, lease liabilities, trade payables, other financial liabilities and other current liabilities. Financial liabilities are derecognized when the obligations specified in the contract are discharged, canceled or expire.

Income taxes

Current income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date or will be enacted shortly in the countries where the Group operates and generates taxable income.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Basis of preparation

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, which at the time of the transaction, does not affect the accounting profit or taxable profit or loss and does not give rise to taxable and deductible temporary differences on the same amount at the time of the transaction, and
- with regard to deferred tax liabilities resulting from taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to taxable and deductible temporary differences on the same amount at the time of the transaction, and
- with regard to deferred tax assets resulting from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when it is probable that the temporary differences will not be reversed in the foreseeable future or not sufficient taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the consolidated financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Global minimum taxation – Pillar Two

Laws have been enacted to implement global minimum taxation in accordance with the OECD “Pillar Two” guidelines in countries in which the EEW Group and the BEHL Group operate. The EEW Group is likely to fall within the scope of the laws that have been enacted or that will be enacted. As part of a Pillar Two impact analysis, EEW determined which obligations arise for EEW Group from the Pillar Two regulations. The analysis found that the group companies have no obligations under Pillar Two beyond the applicable reporting requirements. Insofar as further obligations arise for BEHL Group, we consider our shareholder, Beijing Enterprises Holdings European Investment Management S.à r.l. in Luxembourg/Luxembourg and Beijing Enterprises Holdings Limited in Hong Kong/China, to be responsible. We have informed our shareholder accordingly.

As a result, no deferred taxes were recognized in accordance with IAS 12.

Other provisions

Provisions are recognized if there is a present legal or actual obligation as a result of a past event, an outflow of resources representing economic benefits to fulfill this obligation is likely and the probable amount of the necessary provision can be estimated reliably. Provisions are measured pursuant to IAS 37 at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

Provisions are also recognized for contracts under which the unavoidable costs for contractual fulfillment are higher than the expected economic benefits. The unavoidable costs represent the lower of the two alternative amounts consisting of costs for fulfillment or compensation payments or penalties for non-fulfillment. The provisions are recognized in the amount of the loss.

The valuation of the provision for CO₂ emission allowances is based on the acquisition costs of the CO₂ certificates purchased.

Changes in the measurement of an existing provision for decommissioning, restoration or similar liability that result from changes in the estimated timing or amount of the outflow of resources representing economic benefits required to settle the obligation, or a change in the discount rate, are added to, or deducted from, the cost of the related asset in the current period. If a decrease in the provision exceeds the carrying amount of the asset, the excess is recognized immediately in profit or loss.

The reversal of provisions is posted to other operating income.

Provisions for pensions and similar obligations

Provisions for pensions and similar obligations are recognized for defined benefit obligations of the Group. In accordance with IAS 19, they are measured using the projected unit credit method. Future salary and pension trends are included in the calculation under this valuation method. The calculated pension obligation is reported net of the existing plan assets. According to IAS 19.8, plan assets are either assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are measured at their fair value.

Actuarial gains and losses resulting from changes in the underlying measurement parameters are recognized in full in the period in which they arise. They are presented in other comprehensive income(reserve for actuarial gains and losses) and will not subsequently be reclassified to profit or loss.

The defined benefit obligation recognized in the consolidated statement of financial position represents the current shortfall or surplus of defined benefit plans in the Group.

Basis of preparation

Payments for defined contribution plans are recognized as expenses at the time the employees render the service.

Statement of cash flows

The statement of cash flows presents the change in the balance of cash and cash equivalents which is reported in the consolidated statement of financial position under the cash and cash equivalents item and includes cash and cash equivalents with a term of not more than three months. The cash flows are presented grouped into the areas of operating, investing and financing activities.

The cash inflow from operating activities is derived indirectly by adjusting the consolidated profit or loss for the period for non-cash effects and the financial result and supplementing it with changes in current assets and liabilities and paid and received interest and income taxes.

Judgments and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires to a certain extent management to make judgments, estimates and assumptions concerning the application of financial reporting methods and the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates, judgments and assumptions; such changes may have a significant impact on the consolidated financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Adjustments of estimates relevant for the financial reporting are considered in the period in which the change occurs if the change only relates to that period. Any changes affecting both the current and future periods are considered in both the current and in subsequent periods. Estimates are required in particular to value property, plant and equipment and intangible assets, specifically in connection with useful lives and purchase price allocations (note 6.1), and for the measurement of financial instruments at fair value (note 6.10), the measurement of pension and sundry provisions (notes 6.7 and 6.8) and for impairment testing in accordance with IAS 36 (section 2).

EEW's non-current assets mainly comprise intangible assets and property, plant and equipment with finite useful lives. An impairment test for these assets must only be performed when triggering events occur which could reduce the recoverable amount of the CGU. An asset is impaired when its carrying amount exceeds its recoverable amount. A CGU at EEW is a single plant site, as this is the smallest identifiable group of assets that is independent of the cash inflows from other assets or groups of assets.

The fair value of financial assets measured at FVTOPI is calculated using a discounted cash flow model based on the forecast. The underlying discount rate is estimated based on a risk-free market interest rate, adjusted by a suitable credit risk premium.

The basis for estimates with regard to other relevant topics are explained in the respective sections.

Effects of climate-related issues

EEW actively addresses the challenges and opportunities posed by climate change as well as the constantly evolving economic and environmental conditions, particularly the energy and heat transition and the limited availability of resources. EEW is already making a significant contribution to climate and resource protection. As an integral part of the circular economy, EEW helps sanitize waste, permanently remove pollutants, generate energy in the form of process steam, district heating, and electricity, and recover reusable materials.

By recycling sewage sludge in its own incineration plants, one of its business areas, EEW makes a contribution to the circular economy and enables phosphorus recovery in downstream processes. Following the completion of two additional sewage sludge mono-incineration plants in the financial year 2025, a total of four plants will be in operation.

EEW is increasingly entering into cooperation agreements at various locations to feed heat generated in the plants into district heating networks. District heating provided by thermal waste recovery avoids the use of primary energy sources such as coal, oil and gas for heating and thus helps to reduce our carbon footprint.

The Group is also investing in the development of large-scale battery storage projects at two sites, as well as in a plastic pre-sorting plant designed to reduce the incineration of plastics.

Since 2024, thermal waste treatment has been included in the national fuel emissions trading system under the German Fuel Emissions Trading Act (BEHG). EEW passes the additional charges resulting from this on to its customers.

Effects of new or revised accounting standards and interpretations

Standard/interpretation			Mandatory application in the EU	Endorsement
Amendment	IAS 21	Lack of Exchangeability	Jan. 1, 2025	yes

The changes did not have any material effect on the consolidated financial statements for the EEW Group.

New accounting standards and interpretations not yet applied

The following accounting standards and interpretations published by the IASB by the balance sheet date may be relevant for EEW but will only become effective at a later date. When they have already been endorsed by the EU, the date of mandatory first-time adoption in the EU is shown; otherwise the date of mandatory first-time adoption stated by the IASB is shown. EEW will adopt the amendments no earlier than the date of mandatory application.

Basis of preparation

Standard/interpretation			Mandatory application according to the IASB	Endorsement
Amendment	IFRS 7, IFRS 9	Changes to the Classification and Measurement of Financial Instruments	Jan. 1, 2026	yes
Amendment	IFRS 7, IFRS 9	Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	yes
Amendment	IAS 7, IFRS 1, IFRS 7, IFRS 9, IFRS 10	Annual Improvements to IFRS Accounting Standards, Volume 11	Jan. 1, 2026	yes
New	IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	yes
New	IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	no
Amendment	IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	no
Amendment	IAS 21	Translation to a Hyperinflationary Presentation Currency	Jan. 1, 2027	no

The new accounting standard IFRS 18, which replaces IAS 1, will have an impact on the EEW Group's consolidated financial statements, particularly on the presentation of the statement of profit and loss and the balance sheet. Preparations for its implementation will take place in the financial year 2026. As it currently stands, the new IFRS 19 and the other amendments to the IFRS will not have any material effect on the EEW Group's consolidated financial statements.

Changes to disclosures

The transfer to provision for the surrender of BEHG emission allowances was recognized in the financial year 2025 under cost of raw materials, consumables and supplies. In the prior year, this item was recognized under cost of purchased services. The EEW Group deems it more appropriate to report the item under "Cost of raw materials, consumables and supplies" and applies the guidelines published in 2025 by the Institut der Wirtschaftsprüfer (IDW) regarding accounting for emission allowances and greenhouse gas (GHG) quota trading under commercial law (IDW RS FAB 15) to the IFRS consolidated financial statements. The previous year's disclosure was adjusted accordingly. Within cost of materials, cost of raw materials, consumables and supplies as well as purchased merchandise increased by kEUR 67,758 compared to the previous year. Costs of purchased services in the prior year decreased by the same amount.

3. Consolidation

In addition to the group parent, EEW Holding, the following subsidiaries are included in the consolidated financial statements:

Name	Registered office	Capital share in % as of Dec. 31, 2025	Capital share in % as of Dec. 31, 2024
EEW Energy from Waste GmbH	Helmstedt/ Germany *	100	99.6
EEW Energy from Waste Göppingen GmbH	Göppingen/ Germany *	100	100
EEW Energy from Waste Grossräschen GmbH	Grossräschen/ Germany *	100	100
EEW Energy from Waste Hannover GmbH	Hanover/ Germany	85	85
EEW Energy from Waste Helmstedt GmbH	Helmstedt/ Germany *	100	100
EEW Energy from Waste Heringen GmbH	Heringen/ Germany *	100	100
EEW Energy from Waste Premnitz GmbH	Premnitz/ Germany *	100	100
EEW Energy from Waste Saarbrücken GmbH	Neunkirchen/ Germany *	100	100
EEW Energy from Waste Stapelfeld GmbH	Stapelfeld/ Germany *	100	100
EEW Energy from Waste Stavenhagen GmbH & Co. KG	Stavenhagen/ Germany *	100	100
EEW Energy from Waste Leudelange S.à r.l.	Leudelange/ Luxembourg	100	100
EEW Energy from Waste Delfzijl B.V.	Farmsum/ Netherlands	100	100
EEW Energy from Waste Polska Sp. z o.o.	Warsaw/Poland	100	100
IHKW Industrieheizkraftwerk Andernach GmbH	Andernach/ Germany *	100	100
Kraftwerk Schwedt GmbH & Co. KG	Schwedt a. d. Oder/Germany *	99	99
M+E Holding GmbH & Co. KG	Helmstedt/ Germany	-	94
Müllheizkraftwerk Rothensee GmbH	Magdeburg/ Germany	51	51
NEEW Ventures GmbH	Berlin/Germany *	100	100
Wasteer GmbH	Berlin//Germany	70	70

* Applying the exemption pursuant to Sec. 264 (3) and Sec. 264b HGB with regard to preparation and disclosure

Unless stated otherwise, the share of capital corresponds to EEW's voting interest.

Consolidation

EEW Energy from Waste GmbH, Helmstedt/Germany, (EEW GmbH), is included in the exempting consolidated financial statements of EEW Holding. Furthermore, EEW GmbH made use of the exemption from the duty to prepare consolidated financial statements and a group management report pursuant to Sec. 291 HGB. The disclosures under Sec. 291 (2) no. 4 HGB were included in the notes to the consolidated financial statements of EEW Holding since EEW GmbH applied Sec. 264 (3) HGB and dispensed with the preparation of notes to the financial statements and a management report and also with the publication of the same.

The minority shareholder of M+E Holding GmbH & Co. KG, Helmstedt/Germany, (M+E) sold and assigned its limited partnership interest to EEW Holding GmbH in the financial year 2025. The general partner of M+E also withdrew from M+E in the financial year 2025. As a result, the assets of M+E were transferred to EEW Holding as the sole remaining partner in accordance with Sec. 712a German Civil Code (BGB), and M+E ceased to exist. Through the acquisition of M+E's assets, EEW Holding now holds all of the shares in EEW GmbH.

There is a 50% stake in EBS Kraftwerk GmbH, Hürth/Germany, (EBS), Entsorgungszentrum Salzgitter GmbH, Salzgitter/Germany, (EZS), and Slibverwerking Noord Oost Nederland B.V., Opheusden/Netherlands (SNON). Since January 1, 2023, EEW has accounted for its shares in EBS and EZS using the equity method. For reasons of materiality, SNON had not previously been accounted for using the equity method. EEW revised this assessment and recognized the shares using the equity method for the first time as of January 1, 2025, as SNON commenced active business operations in the financial year 2025.

EBS is the owner of a waste incineration plant. The EEW Group operates this plant and supplies refuse derived fuels. EZS primarily operates a municipal landfill site. EZS also operates a long-term storage facility for residual waste bales on behalf of the EEW Group. SNON acts as a sales company for the acquisition of sewage sludge waste.

The key financial information for the joint ventures EBS and EZS is presented in the table below:

in kEUR	Dec. 31, 2025		Dec. 31, 2024	
	EBS*	EZS	EBS*	EZS
Non-current assets	19,094	10,541	21,150	10,777
Current assets	8,347	6,823	7,050	3,398
<i>thereof cash</i>	2,997	3,006	3,507	827
Non-current liabilities	-7,414	-1,288	-8,780	-1,344
<i>thereof non-current financial liabilities excluding trade payables, other liabilities and provisions</i>	-7,414	0	-8,780	0
Current liabilities	-14,539	-7,348	-13,342	-4,482
<i>thereof current financial liabilities excluding trade payables, other liabilities and provisions</i>	-1,250	0	-1,250	0
Equity	5,488	8,728	6,078	8,349
Group's share in equity (50%)	2,744	4,364	3,039	4,175
Carrying amount of the Group's share	2,744	4,364	3,039	4,175
Revenue	36,934	14,532	36,172	12,399
Amortization and depreciation	-2,046	-941	-2,033	-1,001
Interest income	39	0	13	0
Interest expenses	-331	-28	-386	-107
Income tax expense/ income	112	-249	113	-200
Profit and total comprehensive income (100%)	-590	1,145	-1,066	213
Group's share of profit and comprehensive income (50%)	-295	573	-533	107
Dividends received by the Group	0	383	0	449

* EBS financial information is based on HGB figures.

A stake of at least 20% is held in the following companies. Full consolidation or accounting using the equity method was not applied for reasons of materiality. These equity investments are measured at FVTOCI and presented under non-current assets.

Consolidation

Name	Registered office	Capital share in %	Equity* Dec. 31,2024 in kEUR	Profit for the year* 2024 in kEUR
Non-consolidated subsidiaries				
EEW Vermögensverwaltungs-GmbH	Helmstedt/ Germany	100	3	-2
Kraftwerk Schwedt Verwaltungsgesellschaft mbH	Schwedt a. d.Oder/ Germany	100	187	19
EEW Energy from Waste Stavenhagen Verwaltungs GmbH	Stavenhagen/ Germany	100	181	16
TREA Breisgau Betriebsgesellschaft mbH	Eschbach/ Germany	100	400	23
Associates				
AVA Velsen GmbH	Saarbrücken/ Germany	49	5,115	0
TREA Breisgau Energieverwertung GmbH	Eschbach/ Germany	30	698	211

* most recent financial statements according to local GAAP

The revenue and total assets of the non-consolidated subsidiaries amount to 2.1% and 0.1%, respectively, of those of the EEW Group.

Non-controlling interests

There are significant non-controlling interests in the following companies:

Subsidiary name	Registered office	Shareholding and voting rights of non-controlling interests in %		Gain or loss attributable to non-controlling interests in kEUR		Cumulated non-controlling interests in kEUR	
		2025	2024	2025	2024	2025	2024
MHKW Rothensee GmbH	Magdeburg/ Germany	49	49	15,321	16,626	51,961	56,064
Other subsidiaries with non-controlling interests						10,833	8,601
Total non-controlling interests						62,794	64,665

The following table offers detailed information about Müllheizkraftwerk Rothensee GmbH (MHKW Rothensee GmbH) before consolidation.

MHKW Rothensee GmbH in kEUR	2025	2024
Revenue	154,908	135,852
Current assets	62,321	56,692
Non-current assets	333,619	317,416
Current liabilities	84,829	57,778
Non-current liabilities	205,069	202,341
Profit for the period	31,268	33,804
Other comprehensive income	123	3
Total comprehensive income	31,391	33,807
Dividends paid to non-controlling interests	19,275	16,782
Cash flow from operating activities	36,496	66,136
Cash flow from investing activities	-33,394	-62,741
Cash flow from financing activities	-9,730	-4,274
Total cash flows	-6,628	-879

Consolidation principles

The consolidated financial statements are prepared on the basis of the annual financial statements of the companies included in the consolidated financial statements, which were prepared according to uniform accounting and valuation rules as of December 31, 2025.

Due to materiality considerations, all subsidiaries are included over which EEW Holding has control within the meaning of IFRS 10. They are included (fully consolidated) in the consolidated financial statements from the date on which control is transferred to the Group. EEW Holding has control when it has existing rights that give it the current ability to direct the relevant activities. The relevant activities are the activities that significantly affect the Company's returns. Normally the power of control is based on EEW Holding's indirect or direct majority of voting rights. They are deconsolidated when control ends.

The recognition and measurement methods of the consolidated subsidiaries correspond to the recognition and measurement methods that are uniform throughout the Group, as presented here.

Intra-group transactions, balances and unrealized gains and losses on transactions between group companies are eliminated.

As soon as EEW Holding loses control over a subsidiary, all assets and liabilities and also the non-controlling interests and accumulated amounts in other comprehensive income (except the measurement effects attributable thereon relating to pensions and changes in fair value relating to specific financial assets) are derecognized. The deconsolidation result is presented in other operating income or other operating expenses.

Foreign currency translation

4. Foreign currency translation

EEW Holding's functional currency and the EEW Group's reporting currency is the euro.

Where the annual financial statements of foreign subsidiaries are prepared in a functional currency other than the euro, the assets and liabilities are translated at the exchange rate on the balance sheet date. Expenses and income are translated at the annual average rate. Differences on currency translation are reported in equity in "reserve for the currency translation of foreign companies" without affecting profit or loss. If group companies leave the consolidated group, the relevant currency translation difference is released to profit or loss.

The following exchange rates were used for currency translation in the annual financial statements of EEW Energy from Waste Polska Sp. z o.o.:

	2025		2024	
	Average rate in EUR	Closing rate in EUR	Average rate in EUR	Closing rate in EUR
1 Polish zloty	0.24	0.24	0.23	0.23

5. Notes to the consolidated statement of profit and loss

5.1 Revenue from contracts with customers

Revenue primarily resulted from the recovery and disposal of waste and the sale of the energy generated thereof (kEUR 668,086; prior year: kEUR 691,236) as well as from the operational management of waste incineration facilities (kEUR 78,820; prior year: kEUR 72,999). This includes revenues of kEUR 3,507 (prior year: kEUR 4,231) from performance obligations that were met in previous periods.

Revenue breakdown

The following tables show the breakdown of the Group's revenue from contracts with customers:

in kEUR	2025		
Revenue recognition	Time-related revenue recognition	Period-related revenue recognition	Total
Type of goods or service			
Waste	406,737	0	406,737
Energy	0	261,349	261,349
Operational management	0	78,820	78,820
Other revenue	136,758	10,191	146,949
Total	543,495	350,360	893,855

in kEUR	2024		
Revenue recognition	Time-related revenue recognition	Period-related revenue recognition	Total
Type of goods or service			
Waste	379,671	0	379,671
Energy	0	311,565	311,565
Operational management	0	72,999	72,999
Other revenue	120,415	4,431	124,846
Total	500,086	388,995	889,081

Other revenue is primarily closely related to waste revenue. This mainly include revenue from residual waste recovery (kEUR 12,254, prior year: kEUR 14,131) and from freight fees as well as other service fees (kEUR 17,761, prior year: kEUR 17,952) and expenses passed on from the inclusion in the fuel emissions trading or incineration tax, respectively (kEUR 107,401, prior year: kEUR 88,974). In order to present only incineration services as waste revenue, other income is presented separately.

in kEUR	2025	2024
Geographical markets		
Germany	778,105	771,923
Netherlands	94,852	96,119
Luxembourg	20,898	21,039
Total	893,855	889,081

Notes to the consolidated statement of profit and loss

Contract balances

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Trade receivables	103,294	126,978
Contract assets	45,597	33,424
Contract liabilities	-700	-750
Total	148,191	159,652

Contract assets increased compared to the prior year mainly because, at the balance sheet date, not all billing parameters had been finalized for one subsidiary, unlike in the prior year.

5.2 Other operating income

in kEUR	2025	2024
Other operating income		
Refunds and damages	17,722	11,222
Income from reversals of impairment losses on inventories	13,045	0
Income from the reversal of provisions	3,237	13,790
Income from the allocation of costs for goods and services	2,146	7,745
Income from energy tax refunds	1,497	4,285
Income from sales of scrap and materials	855	519
Income from the release of investment grants	750	699
Income from the reversal of bad debt allowances	566	215
Rental and lease income	350	277
Sundry other operating income	4,681	3,317
Total other operating income	44,849	42,069

The increase in other operating income is primarily attributable to income from reversals of impairment losses on inventories resulting from a group-wide warehouse project (see note 6.3 of the notes to the consolidated financial statements) as well as from compensation payments for damages, particularly at three companies. This is offset by a decrease in income from the reversal of provisions.

5.3 Cost of materials

The cost of raw materials, consumables and supplies and of purchased merchandise (kEUR 171,648; prior year: kEUR 155,022) primarily includes expenses for CO₂ emission allowances under the BEHG (kEUR 83,225; prior year: kEUR 67,785), materials consumption for servicing and maintenance (kEUR 19,310; prior year: kEUR 18,907) and for the operation of facilities (kEUR 45,610; prior year: kEUR 39,596) and fuel for the generation of electricity and heat (kEUR 23,503; prior year: kEUR 28,761).

The cost of purchased services (kEUR 268,811; prior year: kEUR 271,485) includes purchased maintenance services (kEUR 72,865; prior year: kEUR 73,405), waste flow costs (kEUR 57,054; prior year: kEUR 63,743), the costs of disposing of ash, slag and flue gas cleaning residues (kEUR 85,521; prior year: kEUR 84,236) as well as other purchased services (kEUR 53,371; prior year: kEUR 50,101).

5.4 Personnel expenses

On an annual average the Group employed (excluding members of the management board):

	2025	2024
Wage earners	863	828
Salaried employees	683	650
Inactive employees	14	8
Total	1,560	1,486

5.5 Other operating expenses

in kEUR	2025	2024
Other operating expenses		
Other purchased services and allocation of costs for goods and services	18,745	14,802
IT costs	18,303	15,802
Insurance premiums, fees and contributions	15,867	14,998
Other taxes	9,082	5,225
Audit and advisory fees	7,752	8,191
Training, travel expenses	7,352	6,031
Rents and leases	5,578	6,298
Advertising and marketing expenses	2,888	4,179
Repair and maintenance expenses	2,391	1,425
Impairment losses on current assets	2,105	1,096
Losses on the disposal of intangible assets and property, plant and equipment	1,427	1,219
Expenses for insurance claims	1,107	2,599
Court, notary and lawyers' fees	1,434	1,034
Voluntary social benefits	993	912
Office expenses	499	493
Sundry other operating expenses	10,169	8,173
Total other operating expenses	105,692	92,477

The increase in other taxes is primarily due to the addition to the electricity tax provision (see note 6.8 of the notes to the consolidated financial statements).

5.6 Financial result

Interest expenses include the interest expense from external financing as well as the unwinding of discounts on pensions and other non-current provisions.

Interest expenses are stated net of capitalized borrowing costs of kEUR 8,124 (prior year: kEUR 8,031). Due to the utilization of the revolving credit facility and a slight decline in interest rates, the group-wide borrowing rate decreased from 1.85% to 1.78% from December 2025. Based on current financing terms, the interest rate on a loan taken out to finance a qualifying asset is 4.7%.

The other investment result includes profit transfers and dividends.

5.7 Income taxes

The following table reconciles the expected tax expense for the financial year with the reported tax expense. The expected tax expense results from an overall tax rate of 30% – unchanged on the prior year – and earnings before taxes. The overall tax rate comprises the corporate income tax rate including solidarity surcharge of 16% and the effective average trade tax rate of 14%. In accordance with IAS 12, the effects of the tax rate reduction adopted under the German Act on an Immediate Tax Investment Program to Strengthen Germany as a Business Location, which was announced on July 18, 2025 (decrease to 14% starting in 2028, gradually decreasing to 10% by 2032), were also taken into account.

Due to the lower earnings compared to the previous year and the first-time effect of the tax rate reduction starting in 2028 in the amount of kEUR 11,189, there was a significant decrease in tax expenses. Tax expense came to kEUR 24,658 (prior year: kEUR 53,645) in the reporting year. The decrease is attributable, in addition to the above-mentioned effect from the reduction in the tax rate (kEUR +11,189), primarily to out-of-period tax income resulting from amended tax returns for the years 2020 to 2023 (kEUR +6,486). These effects are offset by the increase in effects from permanent differences (kEUR -4,826). As a result, the effective tax expense decreased from 31% to 20%.

in kEUR	2025	2024
Consolidated profit before income taxes	125,291	172,638
Expected tax expense 30% (prior year: 30%)	-37,587	-51,791
Income tax reductions on distributed dividends and sale proceeds	150	0
Tax effects on tax-free income	401	1,855
Tax effects on non-deductible operating expenses	-4,685	-2,337
Tax effects from trade tax add-backs/deductions	1,159	194
Out-of-period taxes	6,486	-1,585
Effects from differences between entity and group tax rates	1,995	827
Loss/interest carryforwards	1,870	2
Permanent differences	-5,636	-810
Effects from changes in tax rates	11,189	0
Effective tax expense	-24,658	-53,645
Effective tax rate	20%	31%

6. Notes to the consolidated statement of financial position

6.1 Intangible assets and property, plant and equipment

Intangible assets

EEW has significant intangible assets with a finite useful life, comprising the contractual customer relationships identified in the purchase price allocation (PPA) recognized when control was obtained by EEW Holding on March 31, 2013 as well as from technology-related intangible assets. Customer-related intangible assets of kEUR 15,284 (prior year: kEUR 19,766) mainly include long-term disposal agreements with municipalities and operational management agreements. The customer relationships were valued on the acquisition date using the multi-period excess earnings method. The revenue from the customer relationships of the individual companies in the EEW Group was taken from the EEW Group's business plan. The useful life is the contractual term. The agreements are amortized over their remaining useful lives of up to four years. Amortization of intangible assets amounted to kEUR 10,652 (prior year: kEUR 8,242) in the financial year 2025. As in the previous year, no impairment losses were recognized in the financial year 2025.

Research and development expenses of kEUR 529 (prior year: kEUR 4,050) were recognized in the statement of profit and loss in the financial year 2025.

Property, plant and equipment

The carrying amount of property, plant and equipment includes the carrying amount of right-of-use assets from leases of kEUR 25,420 (prior year: kEUR 15,976). Additions of right-of-use assets during the financial year 2025 came to kEUR 12,149 (prior year: kEUR 5,124).

Depreciation of property, plant and equipment totaled kEUR 102,124 (prior year: kEUR 95,495) in the financial year 2025. This includes depreciation of recognized right-of-use assets in the amount of kEUR 2,705 (prior year: kEUR 2,308). As in the previous year, no impairment losses were recognized in the financial year 2025.

Prepayments and assets under construction are reclassified, in particular, to the items technical equipment and machinery and buildings, including buildings on third-party land.

The development of intangible assets and property, plant and equipment is presented in the following overview:

2025

Intangible assets and property, plant and equipment (including right-of-use assets)

Development of cost

in kEUR	Balance as at Jan. 1, 2025	Additions	Disposals	Reclassifications	Balance as at Dec. 31, 2025
Customer-related intangible assets	272,734	0	0	0	272,734
Technology-related intangible assets	31,006	3,916	-195	498	35,225
Intangible assets	303,740	3,916	-195	498	307,959
Land and land rights (owned)	33,093	0	0	138	33,231
Rights of use for land	7,367	9,926	0	0	17,293
Land and land rights	40,460	9,926	0	138	50,524
Buildings, including buildings on third-party land (owned)	194,729	41,531	-763	144,644	380,141
Rights of use for buildings, including buildings on third-party land	5,536	337	0	0	5,873
Buildings, including buildings on third-party land	200,265	41,868	-763	144,644	386,014
Technical equipment and machinery (owned)	1,262,736	118,906	-9,854	369,488	1,741,276
Rights of use for technical equipment and machinery	10,110	0	0	0	10,110
Technical equipment and machinery	1,272,846	118,906	-9,854	369,488	1,751,386
Other equipment, operating and office equipment (owned)	31,904	5,259	-129	2,056	39,090
Rights of use for other equipment, operating and office equipment	3,249	1,886	-215	0	4,920
Other equipment, operating and office equipment	35,153	7,145	-344	2,056	44,010
Prepayments and assets under construction	618,941	64,924	-3,319	-506,547	173,999
Property, plant and equipment	2,167,665	242,769	-14,280	9,779	2,405,933
Intangible assets and property, plant and equipment	2,471,405	246,685	-14,475	10,277	2,713,892

Accumulated amortization, depreciation and impairment and net carrying amounts

in kEUR	Balance as at Jan. 1, 2025	Additions	Disposals	Reclassifications	Balance as at Dec. 31, 2025	Carrying amount as at Dec. 31, 2025
Customer-related intangible assets	-252,968	-4,482	0	0	-257,450	15,284
Technology-related intangible assets	-10,309	-6,170	191	6	-16,282	18,943
Intangible assets	-263,277	-10,652	191	6	-273,732	34,227
Land and land rights (owned)	-256	-2	0	-139	-397	32,834
Rights of use for land	-1,393	-459	0	0	-1,852	15,441
Land and land rights	-1,649	-461	0	-139	-2,249	48,275
Buildings, including buildings on third-party land (owned)	-61,610	-8,558	14	-1,447	-71,601	308,540
Rights of use for buildings, including buildings on third-party land	-2,431	-584	0	0	-3,015	2,858
Buildings, including buildings on third-party land	-64,041	-9,142	14	-1,447	-74,616	311,398
Technical equipment and machinery (owned)	-672,777	-87,563	3,199	-8,697	-765,838	975,438
Rights of use for technical equipment and machinery	-5,027	-431	0	0	-5,458	4,652
Technical equipment and machinery	-677,804	-87,994	3,199	-8,697	-771,296	980,090
Other equipment, operating and office equipment (owned)	-21,429	-3,296	101	0	-24,624	14,466
Rights of use for other equipment, operating and office equipment	-1,435	-1,231	215	0	-2,451	2,469
Other equipment, operating and office equipment	-22,864	-4,527	316	0	-27,075	16,935
Prepayments and assets under construction	0	0	0	0	0	173,999
Property, plant and equipment	-766,358	-102,124	3,529	-10,283	-875,236	1,530,697
Intangible assets and property, plant and equipment	-1,029,635	-112,776	3,720	-10,277	-1,148,968	1,564,924

Notes to the consolidated statement of financial position

2024

Intangible assets and property, plant and equipment (including right-of-use assets)

Development of cost

in kEUR	Balance as at Jan. 1, 2024	Additions	Disposals	Reclassifications	Balance as at Dec. 31, 2024
Customer-related intangible assets	272,734	0	0	0	272,734
Technology-related intangible assets	20,553	10,007	-257	703	31,006
Intangible assets	293,287	10,007	-257	703	303,740
Land and land rights (owned)	30,075	241	-257	3,034	33,093
Rights of use for land	7,389	201	-223	0	7,367
Land and land rights	37,464	442	-480	3,034	40,460
Buildings, including buildings on third-party land (owned)	167,652	8,328	-218	18,967	194,729
Rights of use for buildings, including buildings on third-party land	2,867	3,415	-746	0	5,536
Buildings, including buildings on third-party land	170,519	11,743	-964	18,967	200,265
Technical equipment and machinery (owned)	1,148,010	43,985	-5,165	75,906	1,262,736
Rights of use for technical equipment and machinery	10,214	0	-104	0	10,110
Technical equipment and machinery	1,158,224	43,985	-5,269	75,906	1,272,846
Other equipment, operating and office equipment (owned)	28,487	3,187	-298	528	31,904
Rights of use for other equipment, operating and office equipment	3,782	1,508	-2,041	0	3,249
Other equipment, operating and office equipment	32,269	4,695	-2,339	528	35,153
Prepayments and assets under construction	528,076	190,003	0	-99,138	618,941
Property, plant and equipment	1,926,552	250,868	-9,052	-703	2,167,665
Intangible assets and property, plant and equipment	2,219,839	260,875	-9,309	0	2,471,405

Accumulated amortization, depreciation and impairment and net carrying amounts

in kEUR	Balance as at Jan. 1, 2024	Additions	Disposals	Balance as at Dec. 31, 2024	Carrying amount as at Dec. 31, 2024
Customer-related intangible assets	-247,094	-5,874	0	-252,968	19,766
Technology-related intangible assets	-8,155	-2,368	214	-10,309	20,697
Intangible assets	-255,249	-8,242	214	-263,277	40,463
Land and land rights (owned)	-255	-1	0	-256	32,837
Rights of use for land	-1,226	-302	135	-1,393	5,974
Land and land rights	-1,481	-303	135	-1,649	38,811
Buildings, including buildings on third-party land (owned)	-55,076	-6,601	67	-61,610	133,119
Rights of use for buildings, including buildings on third-party land	-2,566	-611	746	-2,431	3,105
Buildings, including buildings on third-party land	-57,642	-7,212	813	-64,041	136,224
Technical equipment and machinery (owned)	-593,590	-83,402	4,215	-672,777	589,959
Rights of use for technical equipment and machinery	-4,677	-423	73	-5,027	5,083
Technical equipment and machinery	-598,267	-83,825	4,288	-677,804	595,042
Other equipment, operating and office equipment (owned)	-18,471	-3,183	225	-21,429	10,475
Rights of use for other equipment, operating and office equipment	-2,474	-972	2,011	-1,435	1,814
Other equipment, operating and office equipment	-20,945	-4,155	2,236	-22,864	12,289
Prepayments and assets under construction	0	0	0	0	618,941
Property, plant and equipment	-678,335	-95,495	7,472	-766,358	1,401,307
Intangible assets and property, plant and equipment	-933,584	-103,737	7,686	-1,029,635	1,441,770

Notes to the consolidated statement of financial position

6.2 Sundry financial assets

Sundry financial assets include investments in affiliated companies, joint ventures and associates of kEUR 9,198 (prior year: kEUR 9,936) which for reasons of immateriality are neither consolidated nor accounted for using the equity method. Changes in fair value are recorded under other comprehensive income. Information about the methods used to determine fair value is provided in note 6.10.

Furthermore, loans issued to joint ventures accounted for using the equity method of kEUR 7,500 (prior year: kEUR 8,750) and loans issued to third parties of kEUR 3 (prior year: kEUR 3) are included under financial assets.

6.3 Inventories

Inventories include raw materials, consumables and supplies (kEUR 44,630, prior year: kEUR 26,311) and CO₂ emission certificates (kEUR 91,410; prior year: kEUR 74,281).

As part of a group-wide warehouse project in the financial year 2025, all inventory was fully inventoried and examined for usability and valuation. This resulted in a positive valuation effect in the amount of kEUR 13,045. The reversals of impairment were primarily due to changes in estimates and were recognized in full in the statement of profit and loss in the financial year 2025.

6.4 Receivables and other current assets

The following table shows the composition of trade receivables and contract assets by maturity.

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Unimpaired receivables		
Neither past due nor impaired	121,010	137,299
1 to 30 days past due, unimpaired	13,696	12,273
More than 31 days past due, unimpaired	12,099	6,303
Total unimpaired receivables	146,805	155,875
Impaired receivables		
Gross receivables	4,566	5,762
Specific bad debt allowances	-2,135	-935
Total impaired receivables	2,431	4,827
Expected credit losses (ECLs)	-345	-300
Total	148,891	160,402

Trade receivables include receivables amounting to kEUR 17,053 (prior year: kEUR 13,692) from unconsolidated affiliated companies, joint ventures and BEHL group companies (Beijing Enterprises Holdings Environment Technology Co., Ltd., Hong Kong/China).

Bad debt allowances comprise specific bad debt allowances. The cost of allocations to bad debt allowances is recognized in the statement of profit and loss in the other operating expenses item.

The development of the specific bad debt allowances on trade receivables is presented below.

Notes to the consolidated statement of financial position

in kEUR	2025	2024
As of Jan. 1	935	716
+ Additions	1,771	534
- Utilizations (realized impairments)	-5	0
- Reversals (impairments no longer required)	-566	-315
As of Dec. 31	2,135	935

The remaining receivables and other current assets are measured at amortized cost. Other non-current receivables and other current assets of kEUR 37,362 (of which kEUR 36,324 are financial assets) mainly comprise the non-current portion of a purchase price receivable from a lease agreement terminated in the prior year, prepaid expenses and a loan receivable from a minority shareholder of a subsidiary. Other current receivables and other current assets of kEUR 32,044 (of which kEUR 9,446 are financial assets) mainly include the current portion of the purchase price receivable from the lease, receivables from related parties (note 9), reimbursement claims and prepayments made.

The purchase price receivable arising from a lease agreement was renegotiated during the financial year due to a deterioration in the debtor's financial condition. The change in payment terms was deemed a substantial modification, so the original receivable was derecognized and a new financial receivable was recognized. This was measured at fair value and classified as a credit-impaired financial asset.

6.5 Deferred taxes

in kEUR	Dec. 31, 2025		Dec. 31, 2024	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Deferred taxes	17,318	59,710	24,619	68,598
thereof recognized in profit or loss in the financial year	-3,713	8,889	6,469	128
thereof in other comprehensive income in the financial year	-3,587	0	-314	0

The change in deferred tax assets attributable to other comprehensive income mainly relates to provisions.

The following tables break down deferred tax assets and deferred tax liabilities.

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Deferred tax assets on intangible assets	171	124
Deferred tax assets on property, plant and equipment	0	1,211
Deferred tax assets on financial assets	109	82
Deferred tax assets on inventories	2,812	3,053
Deferred tax assets on provisions	11,586	16,177
Deferred tax assets on liabilities	150	2,337
Deferred tax assets on loss carryforwards	2,490	1,635
Total deferred tax assets	17,318	24,619

Notes to the consolidated statement of financial position

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Deferred tax liabilities on intangible assets	8,901	5,739
Deferred tax liabilities on property, plant and equipment	49,920	59,816
Deferred tax liabilities on receivables and other current assets	658	2,839
Deferred tax liabilities on provisions	158	155
Deferred tax liabilities on liabilities	73	49
Total deferred tax liabilities	59,710	68,598

Deferred taxes are based on tax rates of 16% for corporate income tax (including solidarity surcharge) and 14% for trade tax. In accordance with IAS 12, the effects of the tax rate reduction adopted under the German Act on an Immediate Tax Investment Program to Strengthen Germany as a Business Location, which was announced on July 18, 2025 (decrease to 14% starting in 2028, gradually decreasing to 10% by 2032), were also taken into account.

In the start-up phase of its business activities, Wasteer GmbH generated tax losses from 2023 to 2025 on which deferred tax assets were recognized in the amount of kEUR 1,407. EEW Stavenhagen GmbH & Co. KG also reported a loss in 2025 due to the ramp-up phase of the sewage sludge incineration plant, for which deferred tax assets of kEUR 1,083 were recognized. Based on the company's profitability analysis, the loss carryforwards are expected to be utilized in the short term starting in 2026.

No deferred tax liabilities were recognized for the taxable temporary differences of kEUR 5,804 relating to shares in subsidiaries (outside basis differences), as the parent company is able to control the timing of the reversal of the differences and it is probable that the differences will not reverse in the foreseeable future. These differences relate exclusively to affiliated companies.

6.6 Subscribed capital and reserves

The development of the individual equity items is presented separately in the consolidated statement of changes in equity.

EEW Holding's subscribed capital amounts to kEUR 1,000 (prior year: kEUR 1,000) and is fully paid in. The shares have a nominal value of EUR 1. Each company share entitles the holder to one vote and to dividends.

The balance of the capital reserves as of the balance sheet date is kEUR 275,900 (prior year: kEUR 275,900). The capital reserves contain contributions to equity made by shareholders.

Other revenue reserves include actuarial gains and losses, differences from currency translation and changes in the value of equity instruments. In future periods, it will not be possible to reclassify actuarial gains and losses or changes in the value of equity instruments to profit or loss, whereas exchange differences on the translation of foreign operations are reclassified to profit or loss under certain circumstances.

In the financial year 2025, a distribution for the financial year 2024 to the shareholder of EEW Holding in the amount of kEUR 82,900 was resolved. This obligation is recognized under other liabilities and is expected to be converted into a loan.

The profit for the previous year remaining after the distributions is shown in other revenue reserves/profit or loss carryforward.

6.7 Pension provisions

Provisions for pensions and similar obligations are recognized for defined benefit obligations within the Group. The calculated pension obligation is reported net of the existing plan assets. Obligations for the pension entitlements of former and active employees of the EEW Group amounting to kEUR 87,460 (prior year: kEUR 96,762) contrast with plan assets with a fair value of kEUR 38,712 (prior year: kEUR 37,957) as of December 31, 2025.

In accordance with IAS 19, they are measured using the projected unit credit method. The provisions for pensions and similar obligations and the related pension costs are calculated using actuarial models. The valuations are based on a range of assumptions such as current actuarial probabilities (including discounting factors, increase in the cost of living), assumptions on future employee turnover and the probability of pension or lump-sum payments. As markets and the economic situation change, the probabilities assumed for these factors may differ from actual developments.

Future salary and pension trends are included in the calculation under this valuation method. Actuarial gains and losses resulting from changes in the underlying measurement parameters are recognized in full in the period in which they arise. They are presented in the Group's other comprehensive income.

Pension plans

There are company pension commitments to most former and active employees in the EEW Group as a supplement to the benefits of state and private pension schemes. Commitments are made under both defined benefit plans and defined contribution plans.

There is an employee pension scheme for active and – after completion of the vesting period – former employees and their surviving dependents. This is financed partly by the employer and by employees in the form of salary conversion.

EEW regularly reviews the pension commitments existing in the Group with regard to their financial risks. Typical risk factors for defined benefit commitments are longevity, investment risks, nominal interest rate changes and increases in inflation and salaries.

Defined contribution plans

The companies of the EEW Group have predominantly made defined contribution commitments to active employees. The contributory commitments granted are based on contractual or legal regulations. The related payments are made to state or private pension insurers. There is no obligation on the part of the employer beyond these payments.

The employer contributions to the statutory pension insurance scheme came to kEUR 8,385 (prior year: kEUR 7,554) in the financial year 2025. The additional expenses totaling kEUR 1,501 (prior year: kEUR 1,373) recognized in the consolidated statement of profit and loss represent the Group's contributions owed to these pensions plans in accordance with the contribution rates regulated therein.

Defined benefit plans

In addition to the defined contribution commitments there are defined benefit plans within the Group. The entitlements under the defined benefit plans as of the balance sheet date relate to around 1,484 (prior year: 1,378) beneficiaries, including 839 (prior year: 801) active employees, 296 (prior year: 265) former employees with vested benefits and 349 (prior year: 312) pensioners and surviving dependents.

Notes to the consolidated statement of financial position

The majority of the benefit obligations to active beneficiaries relate to a pension building block system (occupational pension scheme) or to a variant thereof which emerged from the harmonization of a large number of pension commitments granted in the past. In this variant, benefits are determined not only by defined contribution pension building blocks, but also by taking into account final salary-related vested entitlements. These plans are closed to new entrants.

The only pension commitment open to new intakes is a capital account system with the payout options of: pension, proportionate one-off payment, or installment payments. Under the other commitments, regular pension benefits are usually paid.

Future pension adjustments are guaranteed at 1% p.a. for a large part of the active beneficiaries. Pension adjustments for former employees and pensioners are made in line with the rate of inflation, normally in a three-year cycle, in some cases more frequently.

The defined benefit obligation recognized in the consolidated balance sheet represents the current shortfall or surplus of the Group's defined benefit plans. Benefits are paid on reaching retirement age, invalidity and death. The pension provision consists solely of domestic obligations.

Two contractual trust arrangements (CTAs) which are endowed in accordance with the level of the obligation were established to partially secure the obligations. The CTAs for the German group companies are administered in trust by Helaba Pension Trust e.V., Frankfurt am Main/Germany. The CTAs relate to plan assets which are earmarked and can be set off against the pension obligations pursuant to IAS 19. There is a strict obligation for the Company to make additional contributions for one CTA.

A large portion of the plan assets is invested in this CTA. Repayments to the trustors can only be made in accordance with the cases regulated in the trust agreement:

- to refund benefits payments fulfilled by the trustor
- to the extent that the trust assets exceed the obligations arising from pension commitments (overendowment)
- if the trustor has no further benefit obligations or
- if the associated plan expires due to the withdrawal of all the trustor's beneficiaries.

The CTA's investment committee consists exclusively of employees of EEW Energy from Waste GmbH.

To a minor extent plan assets are also held at the VK GFA and VK BAG pension funds.

Due to the pension commitments on hand, the Group is normally exposed to the following actuarial risks:

- **Investment risk**

The present value of the defined benefit obligation under the plan is calculated using a discount rate which is determined on the basis of the yields on high-quality, fixed-rate corporate bonds. A shortfall arises if the income from the plan assets is lower than this interest rate.

- **Interest rate risk**

A decline in the bond interest rate results in an increase in the plan liability. This effect is partially compensated for by an increase in the fair value of fixed-income debt instruments.

- **Longevity risk**

The present value of the defined benefit obligation under the plan is calculated on the basis of the best estimate of the mortality of the beneficiary employees, both during and after employment. An increase in the life expectancy of the beneficiary employees leads to an increase in the plan liability.

- **Salary risk**

The present value of the defined benefit obligation under the plan is calculated on the basis of the future salaries of the beneficiary employees. Salary increases for the beneficiary employees thus lead to an increase in the plan liability.

There were no plan adjustments in the current period.

Additional pension benefits were granted under the early retirement agreements to compensate for reductions in the statutory pension.

The development of the pension obligation and the plan assets is evidenced by actuarial reports.

The most important assumptions on which the actuarial valuation was based are presented in the following table:

Actuarial assumptions	2025	2024
Interest rate	4.20%	3.30%
Expected salary increase in %	2.50%	2.50%
Pension increase	1.75%	1.75%

The interest rate is determined by reference to market yields on high-quality, fixed-rate corporate bonds.

The beneficiaries' life expectancy was calculated on the basis of Prof. Dr. Klaus Heubeck's 2018 G mortality tables.

The amounts in connection with the defined benefit plans listed in the following table are recognized in total comprehensive income:

in kEUR	2025	2024
Service costs	2,080	2,254
Net interest expense	1,883	1,892
Contributions to defined benefit plans in the statement of profit and loss	3,963	4,146
Remeasurement of net liability under a defined benefit plan		
Income (-) and losses (+) from plan assets	-509	-1,588
Actuarial gains (-) and losses (+) from changes in financial assumptions	-12,606	0
Actuarial gains (-) and losses (+) from experience adjustments	1,195	538
Components of amounts for defined benefit plans recognized in other comprehensive income	-11,920	-1,050
Total	-7,957	3,096

Notes to the consolidated statement of financial position

The remeasurement of the net liability under one defined benefit plan is recognized in other comprehensive income.

The amount reported in the balance sheet based on the Company's obligation under defined benefit plans is composed as follows:

Carrying amount of defined benefit obligations in kEUR	Dec. 31, 2025	Dec. 31, 2024
Present value of covered defined benefit obligations	87,460	96,762
Fair value of plan assets	-38,712	-37,957
Net defined benefit obligation	48,748	58,805

The changes in the defined benefit obligation (DBO) during the financial year are presented below:

Development of defined benefit obligations in kEUR	2025	2024
Opening balance of defined benefit obligations	96,762	93,884
Service costs	2,080	2,254
Interest expenses	3,143	3,051
Gains (-) and losses (+) from remeasurement:		
Actuarial gains and losses from changes in financial assumptions	-12,606	0
Actuarial gains and losses from experience adjustments	1,195	538
Benefits paid	-3,107	-2,965
Other payments	-7	0
Closing balance of defined benefit obligations	87,460	96,762

The relevant actuarial assumptions used for calculating the defined benefit obligation are the discount rate, expected salary and expected pension increases and mortality rates.

The sensitivity analyses presented below were based on reasonably possible changes in the relevant assumptions as of the balance sheet date with the other assumptions remaining unchanged.

- If the discount rate were to rise (fall) by 0.5 percentage points, the defined benefit obligation would decline by kEUR 5.929 (prior year: kEUR 7.249) (rise by kEUR 6,672 (prior year: kEUR 8.230)).
- If the expected salary increase were 0.25 percentage points higher (lower), the defined benefit obligation would increase by kEUR 105 (prior year: kEUR 120) (decline by kEUR 100 (prior year: kEUR 113)).
- If the expected pension increase were 0.25 percentage points higher (lower), the defined benefit obligation would increase by kEUR 357 (prior year: kEUR 434) (decline by kEUR 343 (prior year: kEUR 416)).
- If life expectancy were to fall (rise) by one year, the defined benefit obligation would decline by kEUR 1,360 (prior year: kEUR 1,638) (rise by kEUR 1,526 (prior year: kEUR 1,848)).

Notes to the consolidated statement of financial position

The above sensitivity analysis as of December 31, 2025 shows how the present value of the commitment would change in response to a change in the actuarial assumptions. Correlations between the individual assumptions were not taken into account. When one assumption was varied, the other assumptions were kept unchanged.

In the above sensitivity analysis, the present value of the defined benefit obligation was determined as of the balance sheet date using the projected unit credit method, the same method used to calculate the defined benefit obligation recognized in the consolidated statement of financial position.

The plan assets measured at fair value developed as follows during the financial year:

Development of plan assets in kEUR	2025	2024
Opening balance of plan assets measured at fair value	37,957	34,995
Interest income	1,260	1,158
Gains (+) and losses (-) from remeasurement:		
Income/expense from plan assets	509	1,588
Contributions by employer (+)/refunds to employer (-)	-110	359
Benefits paid	-4	-4
Change in excess of plan assets over pension provisions	-900	-139
Closing balance of plan assets measured at fair value	38,712	37,957

The actual income from the plan assets amounted to kEUR 1,769 (prior year: kEUR 2,746).

The main investment classes of the plan assets as of December 31, 2025 are presented in the following table:

Main investment classes of plan assets in kEUR	Dec. 31, 2025	Dec. 31, 2024
Debt instruments	21,692	21,147
Real estate and infrastructure funds	7,641	8,957
Equity instruments	8,741	7,259
Cash and cash equivalents	550	508
Employer's pension liability insurance	88	86
Total	38,712	37,957

The debt instruments reflect a diversified structure of public-sector bonds, government-guaranteed bonds, covered bonds and corporate bonds. The fair values of the CTA's equity and debt instruments were determined on the basis of prices quoted in active markets. Real estate and infrastructure funds are not traded on active markets. The fair values were determined on the basis of an expert opinions on real estate and infrastructure properties.

The investment strategy and thus also the management of risk are determined by the fund's investment policy and are resolved at investment committee meetings.

Notes to the consolidated statement of financial position

The pension fund's policy document contains the following risk management guidelines:

- A maximum of 20% of the fund's assets may be invested in shares, subscription rights, participation certificates similar to shares, etc.
- A maximum of 10% of the fund's assets may be invested in high yield and emerging markets bonds.
- A maximum of 15% of the fund's assets may be invested in real estate funds and infrastructure investments.

Analyses are performed at regular intervals to determine the target portfolio structure for the individual plan asset holdings. Furthermore, disbursements in respect of pension payments are also taken into account in regular liquidity planning.

The average term of the defined benefit obligation as of December 31, 2025 is 16 years (prior year: 17 years).

The following maturities of the undiscounted payments for defined benefit pensions and similar obligations are expected in subsequent years:

Expected payments for pensions and similar obligations in kEUR	Dec. 31, 2025	Dec. 31, 2024
Less than 1 year	3,420	3,009
Between 1 and 5 years	16,245	14,906
Between 5 and 10 years	24,773	23,355
Total	44,438	41,270

As in the past financial year, the Group does not expect to make any contributions to the defined benefit plan in the coming financial year.

6.8 Other tax provisions and other provisions

A summary of other tax provisions and other provisions is presented in the following statement of changes in provisions.

in kEUR	As of Jan. 1, 2025	Unwinding of a discount/ discounting	Additions	Utilization	Reversals	As of Dec. 31, 2025
Electricity tax risks	3,501	0	4,973	-1,903	-1,329	5,242
Total other tax provisions	3,501	0	4,973	-1,903	-1,329	5,242
Other personnel-related obligations	2,686	-31	622	-622	-287	2,368
Site restoration, demolition obligations, etc.	20,259	565	3,119	-355	-4,294	19,294
Processing obligations	9,192	0	8,017	-9,192	0	8,017
Obligations arising from litigation, liability, etc.	3,297	0	2,803	-546	0	5,554
CO ₂ emission allowances	74,231	0	89,392	-72,705	-1,526	89,392
Other obligations	577	-27	401	-181	-5	765
Total other provisions	110,242	507	104,354	-83,601	-6,112	125,390

If the effect of discounting non-current provisions is material, the provisions are recognized at the present value of the expected future cash flows.

Other tax provisions mainly relate to electricity tax risks. In a letter from the General Directorate of Customs dated March 4, 2021 entitled "Information on tax-privileged use of electricity for power generation in accordance with Sec. 9 (1) no. 2 German Electricity Tax Act" (StromStG) the tax authorities significantly restricted the option of tax benefits for electricity used for power generation in thermal waste recovery plants. According to the General Directorate of Customs, this restriction is solely a clarification, such that the letter is to be applied retroactively from 2018 onwards. From the legal perspective of EEW and the thermal waste recovery plant associations, this letter does not reflect the applicable legal situation. As a result, EEW is challenging the notices issued on the basis of the above-mentioned letter for the years from 2018 onwards. To clarify the legal issues, an action was filed by EEW Energy from Waste Hannover GmbH, among others. Provisions were recognized at the relevant power generation entities of the EEW Group in order to cover the additional risks resulting from the current decree. The provision is revalued annually based on past experience of electricity tax audits. In 2024, the Düsseldorf and Hamburg fiscal courts issued first-instance rulings in the pending proceedings, which support EEW's legal opinion. The tax authorities appealed both rulings before the German Federal Tax Office (Bundesfinanzhof).

Other personnel-related obligations primarily include provisions for phased retirement and long-service award obligations.

Notes to the consolidated statement of financial position

Provisions for phased retirement take account of obligations under phased retirement agreements concluded. They are recognized at present value using a discount rate of 2.6% (prior year: 2.8%) and an expected annual increase in income of 2.5% (prior year: 2.5%).

Long-service award obligations are calculated using a vested benefit trend of 2.5% (prior year: 2.5%) and a discount rate of 3.7% (prior year: 3.1%).

The obligations for site restoration and demolition primarily include obligations caused by the retirement of facilities. The major item is the obligation to retire facilities in 2052. The expected future payments for these asset retirement obligations amount to kEUR 37,848. These obligations have been recognized on the basis of an expert opinion, with the expected cost increases taken into account in the measurement. The present value of the obligations was determined by applying a risk-free interest rate of 3.48% (prior year: 2.54%).

The provision for processing obligations is recognized for waste not yet disposed of as of the balance sheet date. Measurement uses the expected costs of the thermal recycling of waste volumes minus the energy revenue resulting from incineration.

The obligations for litigation include legal costs and risks from existing contractual relationships.

The provision for emission allowances includes emission certificates to be surrendered. The sharp increase compared with the previous year is primarily due to the rise in the price of a waste recovery allowance in the national fuel emissions trading system under the BEHG from EUR 45 in the previous year to EUR 55 in financial year 2025.

An overview of the maturities of other provisions is presented below:

in kEUR	Dec. 31, 2025	
	Current	Non-current
Other personnel-related obligations	120	2,248
Site restoration, demolition obligations, etc.	0	19,294
Processing obligations	8,017	0
Obligations arising from litigation, liability, etc.	5,554	0
CO ₂ emission allowances	89,392	0
Other obligations	510	255
Total	103,593	21,797

6.9 Liabilities

The following table shows the maturity structure of the contractual, undiscounted cash flows of interest and principal payments of liabilities to banks and other financial liabilities. The cash flows resulting from lease liabilities are presented in note 6.11.

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Bonds	400,526	400,134
Cash flows with a residual term of		
Up to 1 year	401,248	1,774
1 to 2 years	0	401,248
Total expected cash flows	401,248	403,022
Liabilities to banks	187,387	159,191
Cash flows with a residual term of		
Up to 1 year	187,998	160,585
1 to 2 years	2,045	45
2 to 3 years	0	2,045
Total expected cash flows	190,043	162,675
Other financial liabilities	284,996	274,563
Cash flows with a residual term of		
Up to 1 year	23,602	18,233
1 to 5 years	239,110	248,297
More than 5 years	73,989	70,957
Total expected cash flows	336,701	337,487

The presentation of non-discounted cash flows is based on the assumption that liabilities are repaid on their earliest due date.

Liquidity requirements are satisfied by credit lines from banks totaling kEUR 305,000 (prior year: kEUR 330,000). As of December 31, 2025, kEUR 216,843 of this amount had been used, thereof kEUR 155,000 for the utilization of the revolving credit facility and kEUR 61,817 for the provision of bank guarantees. The revolving credit facility is unsecured and subject to variable interest rates, and has a term until November 30, 2026.

Furthermore, a revolving credit facility (kEUR 250,000) of Good Champion Investments Limited is available to cover liquidity requirements, from which kEUR 184,800 was drawn as of December 31, 2025. The loan is unsecured and subject to variable interest rates, and has a term until December 31, 2029.

In the financial year 2025, an additional revolving credit facility in the amount of kEUR 600,000 with a term until June 30, 2027 was concluded between Beijing Enterprises Holdings Limited and EEW Energy from Waste GmbH. As of the balance sheet date, the facility had not been drawn down.

In August 2017, EEW Energy from Waste GmbH issued a promissory note loan of kEUR 407,000. The remaining fixed tranche of kEUR 2,000 that has not yet been repaid will bear interest at a fixed margin of 2.269%. The promissory note loan is not collateralized.

Notes to the consolidated statement of financial position

In June 2021, a green bond of kEUR 400,000 was issued with a term of five years in order to repay the variable tranches of the promissory note loan. The green bond has an interest rate of 0.361% and is unsecured.

Other financial liabilities include, firstly, a loan of kEUR 184,800 granted by Good Champion Investment Limited. Secondly, an additional loan in the amount of kEUR 5,635 (prior year: kEUR 22,050) was raised to finance expansion investments. The interest rate of the loan is 4.7%. During the financial year, an additional fixed-rate loan in the amount of kEUR 29,900 with a term until October 30, 2026 was raised. The interest rate is 2.98%

Trade payables mainly relate to investments, regular maintenance costs, material procurement, and residual waste disposal.

Investment grants were provided, in particular, in relation to new construction projects.

Income tax liabilities include corporate income tax (kEUR 7,765, prior year: kEUR 13,181) and trade tax (kEUR 10,301, prior year: kEUR 17,194). The decrease is due to amended tax returns filed in 2024 following tax audits, which were assessed in 2025.

Other liabilities include, in particular, a dividend liability, other tax liabilities and personnel-related liabilities. This includes financial liabilities of kEUR 93,080 (prior year: kEUR 5,009).

6.10 Financial instruments

The EEW Group is exposed to financial risks as a result of its operations. The EEW Group defines risk as unexpected events having a negative effect on the achievement of the stated aims and expectations. Risks having a major influence on the assets, liabilities, financial position and financial performance are relevant. The Group's risk management system analyzes various risks and attempts to minimize negative effects on the Group's financial position.

Risk management is performed in compliance with existing guidelines. For the measurement and management of material individual risks, the Group distinguishes between liquidity, credit and market risks.

Liquidity risk

Liquidity risk is the risk that present or future payment commitments cannot be met or can be met only on unfavorable terms. The Group generates liquidity predominantly from business operations.

The EEW Group's long-term financing is ensured by the current cash flows from operating activities and the availability of sufficient short and long-term debt finance.

At the EEW group level, a consolidated and integrated liquidity forecast is prepared according to the most recent status of the business budget/forecasts, including additional special effects foreseeable in the short term.

For the maturity structure please refer to note 6.9. Liabilities.

The EEW Group has not violated any payment terms with regard to its financial liabilities.

Credit risks

Credit risks arise due to the complete or partial default of a customer, for example owing to insolvency, and in relation to investment of funds. The maximum default risk is equal to the carrying amounts of all financial assets. Bad debt allowances on trade receivables and sundry receivables and impairment losses on assets are recognized according to group-wide uniform rules and cover all foreseeable credit risks.

As a part of risk management, minimum requirements for creditworthiness and upper limits for the exposure are specified for all business partners of the EEW Group.

Identifiable default risks in the receivables portfolio are taken into account by recognizing an adequate level of bad debt allowances. The development of the bad debt allowances on trade receivables is presented in note 6.4 Receivables and other current assets.

As our customer portfolio is diversified and our receivables management is stringent, there is no material credit risk relating to the EEW Group's trade receivables.

The purchase price receivable arising from a lease agreement was renegotiated during the financial year due to a deterioration in the debtor's financial condition. Should the debtor's financial stability deteriorate, this would result in financial risks for the EEW Group.

Market risks (interest rate and currency risks)

The EEW Group defines market risk as the risk of a loss which can arise as a result of a change in market parameters (currency, interest rate, price) relevant to valuation.

Currency risks

The Group primarily operates in the euro area. Currency risks arise from project business in Poland.

Interest rate risks

Interest rate risks can arise predominantly due to changes in market interest rates leading to changes in the expected cash flows. The EEW Group currently has no interest rate hedges.

Other price risks

Other price risks primarily arise from changes in market prices for raw materials, electricity and gas. However, the EEW Group does not hold any financial instruments which carry such risks. They therefore constitute operational risks.

Concentration risk

EEW has a customer base that is diversified across regions and customer categories and is therefore not exposed to any significant concentration risk.

Notes to the consolidated statement of financial position

Carrying amounts and fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (see IFRS 13.9). The following table presents the carrying amounts and fair values of the financial assets:

Dec. 31, 2025	At FVTOCI	At amortized cost	Total	
in kEUR			Carrying amount	Fair value
Item of the statement of financial position	Carrying amount	Carrying amount	Carrying amount	Fair value
Sundry financial assets	9,198	7,503	16,701	16,701
Trade receivables and contract assets	0	148,891	148,891	148,891
Other financial assets	0	45,770	45,770	45,770
Cash and cash equivalents	0	38,931	38,931	38,931
Total	9,198	241,095	250,293	250,293

Dec. 31, 2024	At FVTOCI	At amortized costs	Total	
in kEUR			Carrying amount	Fair value
Item of the statement of financial position	Carrying amount	Carrying amount	Carrying amount	Fair value
Sundry financial assets	9,936	8,753	18,689	18,689
Trade receivables and contract assets	0	160,402	160,402	160,402
Other financial assets	0	48,700	48,700	48,700
Cash and cash equivalents	0	34,961	34,961	34,961
Total	9,936	252,816	262,752	262,752

The following table presents the carrying amounts and fair values of the financial liabilities:

Dec. 31, 2025	At amortized cost	Total
in kEUR		
Item of the statement of financial position	Carrying amount	Fair value
Bonds	400,526	396,506
Liabilities to banks	187,387	187,358
Other financial liabilities	284,996	283,900
Trade payables	82,738	82,738
Sundry financial liabilities	93,080	93,080
Total	1,048,727	1,043,582

Notes to the consolidated statement of financial position

Dec. 31, 2024	At amortized cost	Total
in kEUR		
Item of the statement of financial position	Carrying amount	Fair value
Bonds	400,134	382,928
Liabilities to banks	159,191	159,106
Other financial liabilities	274,563	273,341
Trade payables	57,892	57,892
Sundry financial liabilities	18,736	18,736
Total	910,516	892,003

Fair value hierarchy for measuring financial instruments at fair value

The fair values of the financial instruments were calculated on the basis of the market information available as of the balance sheet date and using the methods and premises presented below. Under IFRS 13 they must be assigned to one of three levels of the fair value hierarchy.

The fair values of level 1 financial instruments are determined on the basis of observable prices in active markets for identical assets and liabilities. At level 2, the fair value is determined by inputs which can be derived from observable market values. Level 3 financial instruments are measured on the basis of inputs which cannot be derived from market data.

Measurement of financial instruments at fair value

It is not possible to directly determine the fair value of financial assets measured at FVTOCI (sundry financial assets) using observable market prices or observable input factors derived directly from the market. This relates primarily to shares in non-consolidated subsidiaries, joint ventures not accounted for using the equity method and associates. The fair value is calculated using a discounted cash flow model based on the most recent forecast (level 3). The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium.

A discount rate of 6.13% was applied (prior year: 6.15%). Cash flows that go beyond internal forecasts are calculated in accordance with suitable growth rates. The growth rates applied are based on long-term real growth and amounted to 1.0% and 0.0%, respectively (prior year: 1.0% and 0.0% respectively).

For the fair values of the sundry financial assets, a change in one of the significant not observable input factors considered possible, while maintaining the other input factors, would have the following effects.

Sensitivity analysis	Other comprehensive income	
	Increase (in kEUR)	Reduction (in kEUR)
Discount rate (change of 0.5 percentage points)	-799	948
Growth rates (change of 1 percentage point)	426	-287

Fair values of assets measured at amortized cost

In the case of trade receivables and contract assets, other financial receivables and cash and cash equivalents the fair values are approximately equal to the carrying amounts of these financial instruments, owing to the short maturities.

Notes to the consolidated statement of financial position

In addition, there are non-current financial assets that are not recognized at fair value in the balance sheet. In the case of these instruments, the fair value does not differ materially from the carrying amount since they earn interest at a rate that approximates the current market rate.

Measurement of the carrying amount under IFRS 16

The fair value of the receivables under finance leases are calculated using a discounted cash flow model. The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium (level 3).

Fair values of liabilities measured at amortized cost

The fair value of the bonds is determined using quoted market prices (level 1).

The fair value of liabilities to banks and other financial liabilities is calculated using a discounted cash flow model. The underlying discount rate is derived from a risk-free market interest rate, adjusted by a suitable credit risk premium. The credit risk premium is modeled taking market-like trends into account (level 2).

In the case of trade payables, the carrying amount is equal to the fair value since they either accrue interest at a rate that approximates the current market rate or the instruments have short maturities.

Net result from financial instruments by measurement category

The following table presents the net gains or losses from financial instruments taken into account in the statement of profit or loss by measurement category.

Dec. 31, 2025				
in kEUR	Interest	Impairments/ reversal of impairments	Investment income	Net result
Financial assets at FVTOCI	0	0	569	569
Loans and receivables measured at amortized cost	2,528	-1,540	0	988
Liabilities measured at amortized cost	-10,965	0	0	-10,965
Total	-8,437	-1,540	569	-9,408

Dec. 31, 2024				
in kEUR	Interest	Impairments/ reversal of impairments	Investment income	Net result
Financial assets at FVTOCI	0	0	570	570
Loans and receivables measured at amortized cost	1,120	-881	0	239
Liabilities measured at amortized cost	-6,906	0	0	-6,906
Total	-5,786	-881	570	-6,097

Not included are in particular interest income and expenses from assets and liabilities outside the scope of IFRS 7 (unwinding of discounts on net pension provisions).

Sensitivity analysis

Interest rate risks arise from a change in the market interest rates which can have an effect on interest to be received or paid and on the market value of the financial instrument. This can result in corresponding effects on earnings and/or equity. Under IFRS 7, interest rate risks must be presented in a sensitivity analysis. This is based on the following assumptions:

The effect on earnings and/or equity determined in the sensitivity analysis relates to the portfolio as of the balance sheet date and shows the hypothetical effect for one year.

Changes in the market interest rate of non-derivative floating-rate financial instruments have an effect on net interest income and are considered in the earnings-related sensitivity analysis.

Changes in the market interest rate of non-derivative fixed-interest financial instruments which are recognized at amortized cost have no effect on earnings and/or equity and are therefore not considered in the sensitivity analysis. They are subject to an interest rate risk on re-investment, which is, however, not taken into account in the reporting-date sensitivity analysis.

A change of 0.5 percentage points in the level of interest rates as of the balance sheet date would have resulted in an improvement or deterioration in net interest income of kEUR 71, as the revolving credit facility contains both a variable interest component and a fixed margin.

The EEW Group is not subject to any other material market risks relating to financial instruments.

No material financial instruments denominated in a foreign currency are held as of the balance sheet date.

6.11 Leasing

EEW as a lessee

In order to carry out its business operations, the Group primarily leases land, technical equipment and machinery and vehicles. Expenses and cash outflows from leases in the current financial year are presented in the table below.

in kEUR	2025	2024
Short-term lease expense	1,792	3,936
Expense relating to leases of low-value assets	1,735	1,370
Interest expenses on lease liabilities	793	583
Repayments of lease liabilities	2,471	2,442
Cash outflows for leases	6,791	8,331

The future undiscounted cash flows of the lease liabilities of kEUR 22,012 (prior year: kEUR 12,335) in place as of December 31, 2025 are as follows:

in kEUR	Minimum lease payments	
	Dec. 31, 2025	Dec. 31, 2024
Up to 1 year	7,613	2,317
1 to 5 years	6,171	5,028
More than 5 years	16,381	9,786
Total	30,165	17,131

6.12 Capital management

The objectives of capital management in the Group are:

- ensuring the Group's and its subsidiaries' ability to continue as a going concern so that they can continue to generate returns for their shareholders and benefits for other stakeholders, and
- optimizing the capital structure to reduce the capital costs and secure long-term financing of growth projects.

The Group's overall strategy remains unchanged compared to 2024.

The Group's capital structure consists of net liabilities (defined as the borrowings disclosed in the notes to the consolidated financial statements in notes 6.7, 6.9 and 6.11 less cash and bank balances) and the equity of the Group. This consists of the share capital, the capital reserve and other reserves, the revenue reserves and the non-controlling interests as stated in the consolidated balance sheet or in the notes to the consolidated financial statements in note 6.6.

Throughout the financial year 2025, the Group's two credit ratings remained stable at investment grade BBB-.

The Group's strategy is to maintain its investment grade credit ratings.

The Group's treasury department regularly reviews the capital structure.

The Group has agreed a financial policy with the owner regarding a range for the net debt ratio and dividend payments. In line with the agreed dividend policy, a range of 60% to 80% of the profit for the period of EEW Holding GmbH has been agreed with the owner for annual distributions. Any remaining profit for the period will be allocated to reserves to strengthen equity.

The Group is not subject to any externally imposed capital requirements.

7. Notes to the consolidated statement of cash flows

The cash flows from investing activities are calculated as the cash inflows from the disposal of assets and the cash outflows for investments in property, plant and equipment as well as intangible assets and financial assets. kEUR 206,801 (prior year: kEUR 244,713) was invested in property, plant and equipment as well as in intangible assets.

The cash inflow from financing activities was primarily shaped by the cash received from short-term financial loans. In addition, dividends of kEUR 19,388 (prior year: kEUR 19,506) were distributed to non-controlling interests.

The following table provides a reconciliation of the change in financial liabilities as recognized in the statement of cash flows to the amounts presented in the statement of cash flows:

Financial liabilities in kEUR	Balance as at Jan. 1, 2025	cash change	non-cash change	Balance as at Dec. 31, 2025
Non-current bonds	399,412	0	-399,412	0
Non-current liabilities to banks	1,999	0	-1	1,998
Other non-current financial liabilities	267,430	4,287	23	271,740
Non-current financial liabilities	668,841	4,287	-399,390	273,738
Current bonds	722	-1,444	401,248	400,526
Current liabilities to banks	157,192	22,715	5,482	185,389
Other current financial liabilities	7,133	0	6,123	13,256
Current financial liabilities	165,047	21,271	412,853	599,171
Lease liabilities	12,335	-3,264	12,941	22,012
thereof cash flows from operating activities		-793		
thereof cash flows from financing activities		-2,471		
Total	846,223	22,294	26,404	894,921

Notes to the consolidated statement of cash flows

Financial liabilities in kEUR	Balance as at Jan. 1, 2024	cash change	non-cash change	Balance as at Dec. 31, 2024
Non-current bonds	399,019	0	393	399,412
Non-current liabilities to banks	1,997	0	2	1,999
Other non-current financial liabilities	65,931	96,050	105,449	267,430
Non-current financial liabilities	466,947	96,050	105,844	668,841
Current bonds	722	-1,444	1,444	722
Current liabilities to banks	150,000	6,654	538	157,192
Other current financial liabilities	24,043	-12,141	-4,769	7,133
Current financial liabilities	174,765	-6,931	-2,787	165,047
Lease liabilities	9,805	-3,025	5,555	12,335
thereof cash flows from operating activities		-583		
thereof cash flows from financing activities		-2,442		
Total	651,517	86,094	108,612	846,223

The non-cash changes in non-current and current bonds in the reporting year resulted from the fact that the green bond is due for repayment in the financial year 2026. Please refer to note 6.9 of the notes to the consolidated financial statements.

8. Contingent liabilities and other financial obligations

The other financial obligations are as follows:

in kEUR	Dec. 31, 2025	Dec. 31, 2024
Investments in property, plant and equipment	21,287	116,873
Current contracts placed	236,629	220,037
Total	257,916	336,910

There are no contingent liabilities.

9. Related parties

Associates, joint ventures and non-consolidated subsidiaries as well as persons who have a significant influence on the financial and operating policies of EEW are designated as related parties. The latter include all personnel in key positions (members of the management board) and their close family members.

BEHL, which holds all the shares in EEW Holding via Good Champion Investments Limited and BEHEIM as of December 31, 2025, is the ultimate parent company.

Note 3 Consolidation provides information about the Group's structure and the subsidiaries.

All business relationships with related parties were arranged on arm's length terms. Essentially, they relate to services and loans. Outstanding balances are unsecured and repayable in cash.

In the following overview, expenses and income with related companies and also receivables and liabilities as of the balance sheet date are listed.

2025	Goods delivered and services provided and interest income and dividends	Goods and services received and interest expenses	Receivables	Liabilities
in kEUR				
BEHL Group	0	6,123	2,795	280,744
Non-consolidated subsidiaries	18,729	28	2,324	389
Joint ventures	33,435	28,250	22,116	0
Associates	591	0	0	0

2024	Goods delivered and services provided and interest income and dividends	Goods and services received and interest expenses	Receivables	Liabilities
in kEUR				
BEHL Group	2	1,173	2,795	189,543
Non-consolidated subsidiaries	18,697	47	2,020	371
Joint ventures	30,087	32,759	20,302	1
Associates	505	0	132	0

Non-consolidated subsidiaries

The cost of goods and services received from and interest expenses for non-consolidated subsidiaries essentially consist of general partner compensation. The income from goods delivered and services provided to and interest income from non-consolidated subsidiaries consists in particular of operational management fees.

Related parties

Joint ventures and associates

There is a loan receivable of kEUR 7,500 (prior year: kEUR 8,750) from EBS Kraftwerk GmbH, Hürth/Germany. The interest rate is 4.0% and can be adjusted annually if necessary. The loan has a total term until December 31, 2031 and must be repaid in quarterly installments as contractually agreed. The loan is unsecured. The sundry receivables relate to trade receivables.

The Group's relationships with joint ventures predominantly relate to expenses for waste incineration and slag disposal, income from waste disposal services rendered and operational management fees.

Shareholders

Receivables from the BEHL Group relate to interest receivables and other receivables.

Furthermore, a resolution was adopted in 2025 to distribute a dividend for the financial year 2024 to the shareholder of EEW Holding in the amount of kEUR 82,900. Please refer to note 7 of the notes to the consolidated financial statements.

For information on loan liabilities, credit lines granted, and loan terms, please refer to note 6.9 of the notes to the consolidated financial statements.

Related persons

The total remuneration of the members of the management board amounts to kEUR 2,374 in the reporting year (prior year: kEUR 2,207). It consists solely of short-term benefits.

Pension provisions of kEUR 5,390 (prior year: kEUR 6,071) were recognized for entitlements of former members of the management board. Payments for the financial year 2025 amounted to kEUR 275 (prior year: kEUR 227).

Transactions that require reporting have not been concluded with the members of the management board or persons related to them.

10. Auditor's fees

The other operating expenses item includes the fees of the statutory auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, amounting to kEUR 670 (prior year: kEUR 690). These expenses were incurred exclusively for audit services.

11. Events after the balance sheet date

The Iran war began on February 28, 2026. For information on the potential future impact on the Group, please refer to the discussion in the management report.

The debtor of the purchase price receivable arising from the lease agreement requested a deferral of installment payments at the end of March 2026. The EEW Group will assess the resulting increased risk accordingly and reflect it in the quarterly financial statements as of March 31, 2026, through a valuation allowance.

There were no events after December 31, 2025 that would be reportable in accordance with IAS 10 (Events after the balance sheet date).

12. The board of management

The members of the management board of EEW Holding are:

Timo Poppe (chairman of the board of management)

Dr. Joachim Manns (COO)

Stefan Schmidt (CFO)

Helmstedt/Germany, April 10, 2026

EEW Holding GmbH

The board of management

Poppe

Manns

Schmidt

Group management report 2025

EEW Holding GmbH
Helmstedt/Germany

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1. Background of the Group

EEW Energy from Waste (EEW) develops, constructs, and operates thermal waste recovery plants and is the market leader in Germany, when measured by annual thermal waste recovery capacity and the environmentally sustainable energy generation. During the reporting year, the EEW Group recovered more than 5.1 million metric tons (mt) of waste and sewage sludge for energy purposes at its sites in Germany and neighboring countries. EEW transforms the energy contained in waste into process steam for industrial plants, district heating for municipal, public and private customers in urban areas as well as into sustainable electricity for around 700,000 households at present. With an average share of biogenic substances in waste of around 50%, EEW generates energy from renewable sources within the meaning of the German Renewable Energy Sources Act (EEG). By recovering energy from the waste used, fossil resources are conserved and valuable raw materials are recovered.

The EEW Group is managed by the management board of EEW Holding GmbH, Helmstedt/Germany. EEW Holding GmbH holds all of the shares in EEW Energy from Waste GmbH, Helmstedt/Germany. The management board and the EEW Group's other senior executives are primarily organized according to their functional responsibilities.

The EEW Group operates a total of 21 thermal waste recovery plants. Of these, the EEW Group owns 13 thermal waste recovery plants in Germany and the Netherlands, and operates a further four thermal waste recovery plants under long-term operating agreements on behalf of third parties in Germany and Luxembourg. In addition, the EEW Group owns four sewage sludge mono-incineration plants.

The thermal waste recovery market in Germany is highly fragmented, with just under 100 plants. Municipalities and companies in which municipalities hold a majority stake make up the largest group of operators for individual plants. Other significant private-sector operators with multiple plants in Germany are predominantly companies from the circular economy and energy industry. The gross processing capacity of approximately 27.4 million mt p. a. offered by all waste incineration plants in Germany was met in 2025 by a waste volume that remained virtually unchanged from the previous year. The trend in waste volumes continues to be dominated by an economically uncertain macroeconomic situation.

Within this market environment, the EEW Group occupies a significant market position in its core markets. The EEW Group's operational business activities are organized geographically. In terms of waste incineration capacity of its plants, the EEW Group leads the market in Germany with a share of approximately 17%. The market share in Luxembourg is 100%, and in the Netherlands it is 7%. In 2025, the EEW Group sold 1.8 TWh of self-generated electricity and about 3.4 TWh of heat and steam. The latter are generally marketed under long-term contracts to municipal utilities, energy suppliers, network operators as well as directly to selected industrial customers.

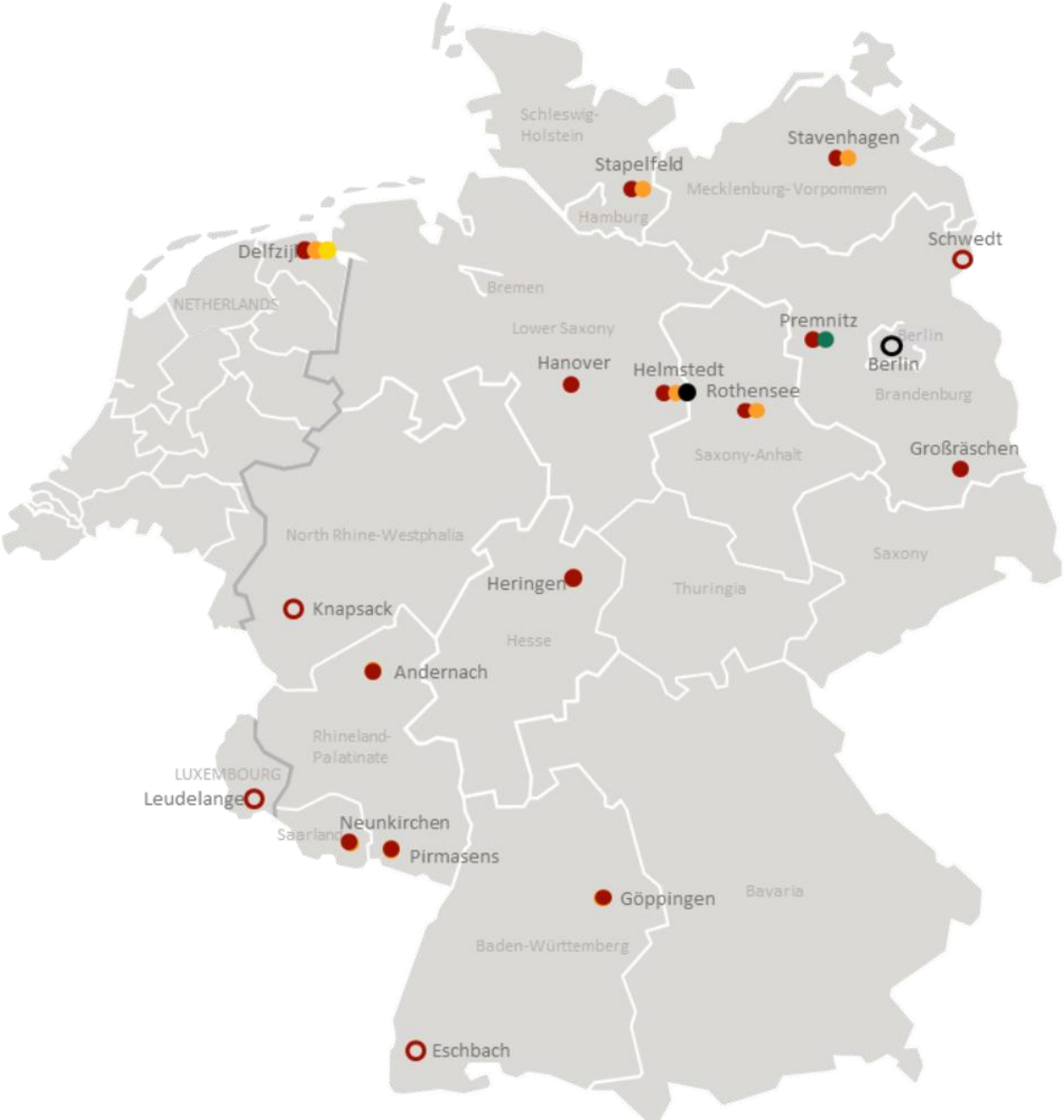


Chart 1: Overview of the plants operated by EEW in Germany, the Netherlands and Luxembourg

Legal framework and management system

The business activities of the EEW Group are subject to a clearly defined legal and regulatory framework and are managed and monitored through a group-wide, standardized management system. EEW Group’s legal framework is based primarily on emission control approvals in the production area and on requirements under environmental, tax, commercial, and corporate laws. These regulations form the basis for the operation of the plants and the business activities of the EEW Group.

Key performance indicators and definitions

The EEW Group's management system is based on financial and technical indicators. Key technical performance indicators include, in particular, plant availability and waste throughput, which together are reflected in Overall Equipment Effectiveness (OEE). At EEW, OEE represents the combined time-based and technical availability of the facilities. In addition, key figures relating to the use of raw materials, consumables, and supplies are analyzed. Key financial performance indicators include revenue from the waste recovery and energy distribution segments, which is mainly generated from waste acceptance and the sale of electricity, steam, and district heating. In addition, EBITDA and cash flow are used to assess the Group's financial performance and financial position. EBITDA is calculated as earnings before interest and taxes (EBIT) plus depreciation of property, plant and equipment and amortization of intangible assets. Cash flow is calculated as the change in cash and cash equivalents between the reporting date and the prior-year reporting date.

2. Economic report

2.1 Macroeconomic and industry-specific background

Macroeconomic environment in 2025 (Germany)

After two years of recession, the macroeconomic condition in Germany improved slightly; according to the Federal Statistical Office (DESTATIS), price-adjusted gross domestic product (GDP) increased by 0.2%. By global comparison, however, Germany's economic output continues to lag behind that of the major economies within the European Union (France and Italy) as well as the United States and China.

Indicators relevant to the EEW Group include private consumption as a potential driver of waste volumes and overall economic output as a potential driver of electricity demand. These indicators are therefore analyzed in greater detail below.

Positive developments can be identified in the following areas of the economy:

- Government spending increased (+5.1% compared with 2024). The main driver of government spending was gross investment in defense (+8.2% compared with 2024).
- Private consumption increased overall (+1.5% compared with 2024). The key categories driving private consumption growth were expenditures on
 - healthcare (+3.8% compared with 2024),
 - furnishings, household equipment, and household maintenance (+2.8% compared with 2024),
 - transport, in particular passenger car purchases (+2.7% compared with 2024).
- Exports of goods to the European Union increased, in particular to Poland and Spain (+3.5% compared with 2024).

Negative developments were identified in the following areas of the economy:

- Exports of goods to the United States and China declined, particularly in the automotive, mechanical engineering, and chemical industries. These industries account for 40% of German merchandise exports and represent core sectors of Germany's export economy. In addition to well-known international competitive disadvantages, such as high energy costs, labor and administrative costs, there were further competitive disadvantages, including US import tariffs, the appreciation of the euro, and intense global competition (particularly from China):
 - Exports to the United States (-7.8% compared with 2024).
 - Exports to the People's Republic of China (-11.9% compared with 2024).
- The construction industry declined. Insolvencies increased, particularly in housing construction, due to high construction costs (-3.6% compared with 2024). The special fund for infrastructure and climate neutrality has not yet had any impact due to the long project lead times. Despite these negative developments, construction activity remains an important source of waste for the EEW Group.

Disposable income (of all private households) increased by 3.1% compared with 2025. The main drivers of this development were:

- Higher net wages and salaries (+4.0% compared with 2024).
- Increased monetary social benefits, in particular for post-employment (+3.9% compared with 2024).

This results in a rise in real income for all households (i.e., average figures for the population as a whole), as inflation was lower in absolute terms than the increase in disposable income. The savings rate amounted to 10.5% (11.2% in 2024).

The average annual inflation rate was approximately 2.2%, driven primarily by food prices as well as price increases in the hospitality and accommodation sector.

Industry environment for thermal waste recovery (Germany)

Waste flows in Germany

Official nationwide consolidated waste data published by the Federal Statistical Office (DESTATIS) are generally available only with a time lag of typically one to two years, due to industry-standard data collection and reconciliation processes. Accordingly, the assessment of trends in waste volume during the reporting year is based on preliminary market indicators, reported partial waste volumes, operational observations and differentiated regional data.

As an indicator of the volume-based market size, the most recent available volume data for 2022 and 2023 are used. These data show that waste volumes relevant for thermal waste recovery, originating from municipal waste as well as from upstream treatment and recycling processes, remained largely stable overall. For 2023, approximately 49 million mt of municipal waste and 57.3 million mt of pre-treated waste were reported, out of a total volume of 380.1 million mt (2022: 399.1 million mt).

Despite rising waste disposal costs, the total available capacity for thermal waste recovery in Germany remained at a high level. In addition to macroeconomic trends, waste volumes are increasingly impacted by regulatory requirements, technological changes in waste treatment and changing consumer habits.

However, volume availability is subject to certain fluctuations over the course of the year. These are primarily due to seasonal effects, weather-related influencing factors, and changes in the composition and quality of waste. In this context, the ability to flexibly procure and manage waste is becoming increasingly important across the industry.

To mitigate seasonal fluctuations and ensure consistent waste quality, the EEW Group is continuously refining its storage and logistics concepts.

Contract terms in the waste business vary depending on the customer group.

Cross-border waste flows

Waste imports into Germany for thermal recovery totaled 1.05 million mt in 2023 (+25% compared to 2022), while exports declined (-8% compared to 2022). In 2024, import volumes fell slightly to 1.01 million mt due to higher volume of waste in Germany. The German market continues to be dominated by import flows from Poland, Italy and France. Volume availability in the Netherlands is currently good; in Poland and Italy, there is still a shortage of thermal capacity, which favors exports to neighboring countries. Plant operators continue to rely on long-term contracts to secure volumes.

Sewage sludge

The sewage sludge market did not show any significant signs of recovery in 2025, given the persistently challenging environment resulting from the war between Russia and Ukraine. Prices for mineral fertilizers, particularly nitrogen and phosphorus, remained high; accordingly, agricultural demand for soil-based use of sewage sludge remained strong.

In 2025, sewage sludge was co-incinerated on a significant scale, primarily in coal-fired power plants. The trend toward thermal co-incineration in waste incineration plants, coal-fired power plants, and cement plants, which was already evident in previous years, continued. Consequently, disposal prices for sewage sludge intended for thermal mono-incineration (sewage sludge mono-incineration plant) did not recover; this was still due to a large supply of available alternative disposal capacities.

With regard to the mandatory phosphorus recovery from sewage sludge starting in 2029 (P recycling), we expect that both co-incineration and soil-based use of sewage sludge will largely cease in the coming years. By 2029 at the latest, we anticipate a significant market recovery and a structural reassessment of disposal methods (in favor of sewage sludge mono-incineration plants and P recycling).

German national emissions trading (CO₂ pricing under the German Fuel Emissions Trading Act [BEHG])

With the inclusion of thermal waste recovery in the CO₂ pricing system under BEHG, emissions from the share of fossil in waste have been taken into account since 2024. The legally mandated fixed price per ton of CO₂ rose to EUR 55/mt in 2025 (2024: EUR 45/mt CO₂), leading, as we had anticipated, to noticeably higher costs in waste incineration as well as associated price increases in waste disposal.

European emissions trading (CO₂ pricing EU ETS)

Prices for CO₂ emission allowances in the European Emissions Trading System (EU ETS) reached their annual peak in the first quarter of 2025, fell significantly thereafter until April due to weaker industrial demand and lower energy prices, and have risen steadily ever since. In the second half of the year, the prices for allowances exceeded the threshold of EUR 80/mt CO₂. The annual average price was EUR 74.10/mt CO₂, approximately 11% above the previous year's level.

The volatility observed over the course of the year is primarily due to compliance-related purchases in connection with fulfilling regulatory surrender obligations, as well as expectations of a structural tightening of supply in the context of the ongoing reform of the EU Emissions Trading System.

EEW is currently not required to act on waste incineration due to the applicable exemption under the EU ETS – except IHKW Andernach (due to waste and other fuels) as well as the plants in Stavenhagen/Germany and Göppingen/Germany (only standby boiler facilities, since they are greater than 20 MW).

Energy

In 2024, wholesale prices for year-ahead Cal 25 for the fossil fuels oil, coal, and gas moved in tandem on the futures market. Price levels on the wholesale electricity markets were primarily driven by developments in the prices of EU Emission Allowances (EUAs) and natural gas prices, which exhibited increased sensitivity to external factors as a result of geopolitical uncertainties and structural changes on the supply side.

The year-ahead product for electricity (EEX Phelix Base Front Year Cal 25 Future) exhibited high volatility throughout 2024. In the first quarter, the significant price decline of the Cal 25 that began in 2023 continued, and the contract fell below EUR 70/MWh. As of the second quarter, there was a noticeable price increase, which led to a broad and volatile sideways trading range between EUR 80 and 100/MWh for the remainder of the year. Over the course of the year, the year-ahead products closely tracked the price movements of EUAs and natural gas prices. The natural gas price on the futures market (THE Front Year Cal 25 Future) was at times below EUR 30/MWh in the first quarter of 2024 and rose sharply over the course of the year to nearly EUR 50/MWh.

The average annual electricity price on the day-ahead spot market for 2025 was EUR 89.32/MWh, 12.2% higher than the previous year's figure of EUR 79.57/MWh. Wholesale electricity prices on the day-ahead spot market exhibited increased volatility in 2025. Although the extreme price peaks were higher in the previous year, price movements above EUR 100/MWh occurred more frequently in the reporting year, accompanied by an increased number of hours with low or negative prices. This was primarily due to the ongoing expansion of renewable energy, particularly in the fields of photovoltaics and wind power. The increasing weather-dependent feed-in led to pronounced price spreads within a single trading day and intensified short-term market dynamics.

At the same time, rising volatility increased the importance of flexible generation and consumption structures as well as of system services for stabilizing the grids. Security of supply, reliable power provision, and the ability to adapt at short notice continued to gain in importance. This development underscores the importance of an efficient mode of plant operation and forward-looking energy management.

Regulatory frameworks, particularly regarding support schemes, network charges, emissions trading, and energy and climate policy objectives, have increasingly influenced market mechanisms. At the same time, technological developments, such as in the areas of storage solutions, digitalization, and data-driven forecasting and control systems, accelerated the adaptability of market participants.

Natural gas consumption in Germany totaled 864 TWh in 2025, representing a 2.2% increase over the previous year. Of this, approximately 40% was attributable to households and commercial customers, and approximately 60% to industrial consumption.

In 2025, power generation in Germany remained largely stable overall, although generation from renewable energy sources increased only moderately due to weather conditions. At the same time, greenhouse gas emissions in Germany declined slightly. A key factor in this was a shift in the energy mix in the energy sector, with a lower share of emission-intensive coal-fired power generation.

Against the backdrop of increasingly volatile feed-in from renewable energy sources and the growing importance of flexible generation capacities, this development underscores the role of controllable plants in ensuring the stability and efficiency of the energy system.

A significant portion of the energy generated by EEW is based on the biogenic share of the waste used. This share is at least 50%, meaning that the energy generation is classified as renewable under the provisions of the Renewable Energy Sources Act (EEG). District heating generation, in particular, contributes to the substitution of fossil fuels and contributes to the decarbonization of the heat supply.

Critical Infrastructure (KRITIS)

An amendment to the KRITIS regulation came into effect on January 1, 2024. According to this, the disposal of municipal waste is classified as a critical service. The scope of application includes, in particular, the areas of waste collection and transport, as well as waste recovery and disposal. This includes, among other things, plants for the thermal treatment of municipal waste.

Companies operating in this sector are responsible for critical infrastructures as defined in the German Act on the Federal Office for Information Security (BSI Act/BSIG). This applies if they are responsible for facilities classified under the categories defined in the Critical Infrastructure Regulation (KRITIS Regulation), provided they exceed the specified threshold values. This includes, among other things, plants for the thermal treatment of municipal waste. In this case, they are considered operators of critical facilities within the meaning of BSIG.

EEW meets the size criteria set forth in the BSI KRITIS Regulation and thus operates a critical facility within the meaning of the BSIG. This gives rise in particular to obligations to register with the Federal Office for Information Security (BSI), implement appropriate organizational and technical measures to ensure information security, establish systems for attack detection and fulfill statutory reporting and documentation requirements.

Corresponding processes, organizational measures, and systems to meet the statutory requirements have been implemented or are currently being implemented.

Looking ahead, additional regulatory requirements are also expected to arise from the planned KRITIS Umbrella Act, which is intended in particular to strengthen the resilience of critical facilities against physical risks and disruptions and, in addition to the existing information security requirements, to establish further requirement for risk analysis, resilience planning, and crisis management.

2.2 Business development

Business development and strategic focus

The management board considers the business development of the EEW Group in the financial year 2025 as overall satisfactory.

Business performance in 2025 was significantly impacted by the sharp decline in forward electricity prices from 2024, which had a noticeable negative impact on revenue from the start of the reporting year. However, total revenue remained slightly above the previous year's level, driven by higher waste acceptance volumes and prices, higher electricity volumes, and increased operational management fees. In addition, several non-recurring income items (including insurance proceeds and compensation payments from insolvency cases) further strengthened earnings.

On the cost side, significantly higher CO₂ allowance costs, increased personnel expenses due to pay rises under collective wage agreements and additional positions, as well as higher IT costs and increased external services, had a dampening effect on profitability. Project-related delays (including those in Stapelfeld/Germany and Delfzijl/Netherlands), operational issues, and increased downtime rates at individual plants also had a significant negative impact, further impairing earnings.

Significant progress was made over the course of the year: numerous projects were advanced, technical issues were gradually resolved, and plant performance was stabilized. These measures led to a noticeable operational improvement, particularly in the fourth quarter. However, these were not sufficient to offset all the burdens incurred during the financial year due to effects related to electricity price, cost and operational effects.

Accordingly, EBITDA of mEUR 249 was significantly below the prior-year figure of mEUR 283. Operating cash flow of mEUR 200 largely covered total capital expenditures for the financial year and demonstrated the Company's strong internal financing capacity.

Strategic focus

EEW aims to strengthen its position in the circular and energy sectors and make a sustainable contribution to strengthening the circular economy. As an integral part of the circular economy, EEW helps sanitize waste and reduce or separate contained pollutants through thermal treatment, subsequently directing them toward safe recovery or disposal. At the same time, EEW provides energy in the form of process steam, district heating, and electricity, and recovers reusable materials.

The strategic focus is on adapting the business to a changing market and regulatory environment over the long term and continuing to grow across the value chain – from material flow management and plant operations to energy recovery and energy trading. The focus is particularly on reducing CO₂ emissions, conserving natural resources, closing material cycles, and continuously increasing process efficiency through consistent digitalization and the integration of AI.

To support these objectives, EEW uses digital technologies and artificial intelligence applications to improve operational processes and identify opportunities along the waste management value chain.

In addition, research and development activities are being advanced. These include, among other things, pilot and test projects on carbon capture as well as studies on the further recovery of reusable materials from incineration residues.

Infrastructure and project development

In the financial year 2025, the EEW Group continued to develop projects in the field of thermal recovery and core business segments in Germany and neighboring countries. Project and investment activities focused in particular on thermal waste recovery, thermal sewage sludge recovery, on the expansion of the supply of district heating, and the development of battery storage facilities to provide short-term flexibility and provide system services (grid balancing) to stabilize the power grid.

In the thermal waste recovery business segment, two new construction and expansion projects were successfully completed in 2025. The new replacement waste plant was commissioned at the site in Stapelfeld/Germany. The transfer to regular operation is scheduled for early 2026. The new plant will replace the existing one with the same capacity but significantly higher energy efficiency.

At the Magdeburg-Rothensee/Germany site, trial operations of the fifth waste incineration line were completed in mid-2025, and the project was transitioned to regular operation. Both projects are currently in a one-year ramp-up phase.

A plastic pre-sorting plant is currently being constructed at the site in Delfzijl/Netherlands, with the transition to regular operation planned for mid-2026.

In the thermal sewage sludge treatment business segment, the sewage sludge mono-incineration plants at the sites in Magdeburg-Rothensee/Germany and Delfzijl/Netherlands were completed by the end of 2025 and transitioned to regular operation following the completion of the trial phases. These plants are each in a three-year ramp-up phase.

To leverage synergies, the development of another growth project for a sewage sludge mono-incineration plant is being advanced at the site in Stapelfeld/Germany. The project was reactivated in 2025 following a delay; however, further investments are contingent upon sufficient economic viability based on a municipal tender for an anchor volume from Schleswig-Holstein in 2026. If successful, commissioning is planned for after 2031.

In the area of power grid services, a battery storage facility was constructed at the site in Premnitz/Germany, which is expected to transition to regular operation in mid-April 2026 following approval by the grid operator. Another large-scale battery storage project is in the development phase for the site in Großbräschen/Germany, with construction scheduled to begin in late 2026 and regular operation to commence in the second quarter of 2028.

In addition to infrastructure projects, measures aimed at further developing internal systems and processes were also implemented in 2025. These included, in particular, the implementation of SAP S/4HANA software, which is being continuously optimized to support end-to-end process models, strengthen the internal control system, and establish group-wide, standardized data management.

Furthermore, the group-wide business process management system was rolled out further, and centralized and standardized operational data collection was established across all production facilities. The introduction of a group-wide document management system was initiated and implemented at first sites.

The proprietary AI-based solution, “Wasteer,” was introduced at all EEW plants for the intelligent detection of contaminants in waste flows. In addition, the solution was functionally enhanced and also implemented externally by plant operators in several European countries.

NEEW Ventures GmbH, as part of the EEW Group, aims to develop digital business models along the waste management value chain. In 2025, a strategic realignment took place with the development of digital and AI-related capabilities aimed at developing tangible solutions for the EEW Group.

Acceptance of waste

Utilization with waste volumes was at a very good level in the first three quarters of 2025. The mild winter of 2024/2025, along with only partial call-off of the waste volumes reserved for winter security, made it possible to operate the waste incineration plants during the winter season without load reductions.

Both the municipal and commercial waste markets stabilized in the spring of 2025. At the same time, declining demand from co-incineration in the cement industry led to an increasing volume supply on the waste disposal market. As a result, waste incineration plants were consistently operating at very high capacity.

In the fourth quarter of 2025, however, the market for thermal waste treatment changed significantly. Waste volumes declined noticeably as a result of the economic slowdown. At the same time, cement production increased, leading to a significant rise in the use of refuse derived fuels (RDF).

Despite these market fluctuations, the EEW Group was able to further increase its waste acceptance in 2025, partly due to the high availability of commercial waste volumes in the first three quarters and partly due to additional spot volumes. Revenue in the municipal sector was slightly higher than the previous year due to price and volume factors. Tenders also showed a higher price level compared to the previous year. In the commercial sector, there was also a price increase, which contributed to higher revenue.

In order to secure its energy obligations during the winter periods of 2024/2025 and 2025/2026, EEW had prudently stocked its winter security stockpiles well and, in addition, honored waste acceptance agreements with foreign customers, primarily from Poland, Italy and France.

The calorific values of the waste used rose noticeably in the reporting year 2025. The main causes of this are climatic influences, particularly dry periods with reduced water content in the waste, economic developments, and changes in the plastic recyclate and sorting market. In addition, changes in waste composition are being driven by regional waste management adjustments, such as the introduction of separate organic waste collection.

The rising calorific values have direct technical and economic impacts on our plants. Higher calorific values result in lower waste throughput and are accompanied by increased wear on plant equipment.

Targeted sales measures were defined to avoid or offset these effects. The focus was on an in-depth root cause analysis, intensified waste inspections, and the use of digital and AI-enabled analytical tools, particularly for calorific value analysis. In addition, low-calorific waste flows were specifically procured and utilized to reduce calorific value.

Disposal of Residues

Slag accounts for the largest volume of residues that needs to be disposed of. The metal content separated from the slag is recycled in various industries for iron, aluminum, and copper processing. The market revenues generated by the slag processors that we commissioned are benchmarked against metal exchange prices and have an impact on the disposal price of the slag. Despite the introduction of the new Substitute Building Materials Ordinance, the use of processed slag in construction projects – particularly as sub-base material – remains challenging. Therefore, the processed slag is largely used at a landfill for covering or stabilization. As regards the disposal of flue gas cleaning residues, the shortage of the backfill cavity in mines has become evident due to significant price hikes, with some increases being particularly substantial. In particular, filter dust containing sodium bicarbonate can be accepted by underground mines only to a very limited extent, which is why EEW has secured capacity through long-term contracts.

Economic report

Energy marketing

The EEW Group's energy marketing strategy is continuously adapted to dynamic market conditions and systematically refined. The objective is to optimally combine revenue security and market opportunities through an integrated portfolio and marketing strategy in an increasingly volatile environment.

The forward marketing of electricity volumes is conducted on a rolling basis and secures a significant portion of the expected generation for the following year. In addition, a targeted dispatchable share of electricity production is marketed on a flexible basis to capitalize on short-term market opportunities and to be able to respond to price signals as well as to production conditions. This strengthens EEW's ability to deploy flexibility in an increasingly value-driven manner and to unlock additional revenue potential. In the area of heat generation, there is a rising demand from municipal customers. Driven by requirements for supply security and decarbonization, long-term partnerships are emerging that create a stable revenue base. The long-term structure of district heating supply contracts also contributes to EEW's strategic positioning as a reliable partner in the regional heat transition.

The growth projects realized and implemented during the reporting year, along with increased plant efficiency and the development of battery storage capacity, significantly broaden the Group's scope for action in the energy sector. In particular, battery storage facilities provide additional opportunities for marketing flexibility, participating in ancillary services markets, and optimizing the overall portfolio.

With the increasing diversification of generation and sales structures, the expansion of flexible components, and the continued development of digital control and marketing systems, EEW is gradually evolving into an active and intelligent player in the energy market. Energy marketing is thereby gaining increasing strategic importance as a value driver for the entire Group.

Materials procurement and purchasing

The procurement markets for raw materials, consumables, and supplies relevant to the EEW Group were characterized in 2025 by diverse and, in some cases, opposing developments. On an annual average, energy prices remained broadly stable compared with the prior year. Over the course of the year, however, natural gas prices declined significantly by approximately 40%. This development was driven, among other factors, by changing expectations regarding global supply as well as a temporary easing of geopolitical risk factors.

Up to mid-year, these trends were reflected in declining monthly prices for ammonia water and urea solution. From September 2025 onward, global supply constraints led once again to noticeable price increases for these operating materials.

Procurement costs for sodium bicarbonate were significantly higher in 2025 than in the prior year. Key drivers included increased global demand and the closure of a production facility in Great Britain. Prices for other operating resources such as lime, caustic soda and hearth furnace coke increased on an annual average primarily due to inflationary effects. In this context, rising labor and transportation costs as well as higher supplier expenses resulting from more stringent environmental regulations proved to be key cost drivers.

The availability of the raw materials, consumables, and supplies required for operations was not restricted during the financial year 2025. This was attributable, among other factors, to existing contractual safeguards and the implementation of multiple-supplier strategies. Through the conclusion of fixed supply agreements, the supply of all sites was fully ensured at all times during the reporting year.

The increasing stabilization of key cost factors enabled longer contract terms and extended price-fixing models in certain procurement areas. At the same time, regulatory interventions and the associated uncertainties regarding future production costs, in particular the gradual reduction in the free allocation of CO₂ allowances under the EU Trading System and the introduction of the Carbon Border Adjustment Mechanism (CBAM), have increasingly led to the inclusion of price adjustment clauses to account for the effects of government measures.

2.3 Assets, liabilities, financial position and financial performance

The consolidated financial statements for the financial year include the Company and all subsidiaries of the EEW Group included in the scope of consolidation. The following section presents the assets, liabilities, financial position and financial performance of the EEW Group in accordance with the IFRS® Accounting Standards (IFRS). The tables and statements compare the figures for the financial year 2025 with the corresponding figures of the prior year.

Financial performance

The statement of profit and loss for the period from January 1 to December 31, 2025 shows the following developments compared with the prior year:

in kEUR	2025	2024
Revenue from contracts with customers	893,855	889,081
Own work capitalized	3,795	4,578
Other operating income	44,849	42,069
Cost of materials	-440,459	-426,507
Personnel expenses	-147,606	-133,789
Amortization, depreciation and write-downs	-112,776	-103,737
Other operating expenses	-105,692	-92,477
EBIT	135,966	179,218
Financial result	-10,675	-6,580
Earnings before taxes	125,291	172,638
Income taxes	-24,658	-53,645
Consolidated profit for the period	100,633	118,993
- thereof shareholders of EEW Holding GmbH	82,972	99,642
- thereof non-controlling interests	17,661	19,351

Revenue was generated primarily from the recovery and disposal of waste and sewage sludge, from the sale of the energy produced therefrom, from the operation of individual thermal waste recovery plants as well as from other revenue. While revenue from the recovery and disposal of waste and sewage sludge (kEUR 406,737, prior year: kEUR 379,671) exceeded the prior-year level in 2025, revenue from energy sales (kEUR 261,349, prior year: kEUR 311,564) declined significantly. In the waste acceptance business, a positive volume effect was recorded, as accepted waste volumes increased from 5,071 kt in the prior year to 5,175 kt in 2025. In addition, a slightly higher average waste acceptance price had a positive impact on waste revenue. In the electricity business, sales were also higher due to increased volumes, as electricity sales rose from 1,701 GWh to 1,792 GWh. However, this was offset by a significantly lower average electricity price from forward sales, which had a noticeable negative impact on revenue growth despite the increase in volume.

However, total revenue remained slightly above the prior-year figure due to higher fees from the operational management of individual plants (kEUR 78,820, prior year: kEUR 72,999) and higher other revenue (kEUR 146,949, prior year: kEUR 124,846).

Other revenue includes, in particular, the passing on of CO₂ costs due to the provisions of BEHG relating to the CO₂ pricing of thermal waste recovery, which came into force in Germany on January 1, 2024. The legislator has obliged the plant operators to determine the CO₂ emissions caused by the waste incineration according to the polluter-pays principle and to collect the required quantity of CO₂ allowances and deliver them to the state authority. The plant operators will charge waste customers accordingly. As a result, both other revenue and cost of materials increased at EEW.

Cost of materials (kEUR -440,459, prior year: kEUR -426,507) includes expenses for servicing, maintenance and inspection work, waste flow costs for honoring fuel supply agreements, disposing of residues, slag and other waste, costs for consumables, energy procurement costs and expenses for other services. The difference from the previous year is primarily due to higher CO₂ costs in accordance with BEHG.

Personnel expenses include not only current wages and salaries (kEUR -121,680, prior year: kEUR -110,005) and social security contributions (kEUR -21,969, prior year: kEUR -19,823) but also expenses for post employment (kEUR -3,878, prior year: kEUR -3,864). Other personnel costs are negligible. The rise in personnel expenses (kEUR -147,606, prior year: kEUR -133,789) is attributable to an increase in headcount from 1,486 to 1,560 due to the hiring of commercial and technical specialists as well as pay rises under collective wage agreements.

Other operating expenses (kEUR -105,692, prior year: kEUR -92,477) primarily include external services, IT expenses, insurance premiums, other taxes, audit and consulting fees, rent and lease payments, expenses for training courses and conferences, travel expenses, as well as advertising and marketing expenses and other miscellaneous expenses. The increase compared with the prior year was primarily due to higher expenses from recharges and allocations, an increase in other taxes, and higher costs for external services and information technology.

In particular, the significant year-on-year decline in revenue in the energy sector, combined with higher personnel expenses and increased other operating expenses, resulted in a lower EBITDA (kEUR 248,742, prior year: kEUR 282,955).

Depreciation and amortization (kEUR -112,776, prior year: kEUR -103,737) includes depreciation of property, plant and equipment (kEUR -102,124, prior year: kEUR -95,495) and amortization of intangible assets (kEUR -10,652, prior year: kEUR -8,242). The increase in depreciation of property, plant and equipment is primarily attributable to the completion of capital expenditures and the commissioning of the facilities in Magdeburg-Rothensee/Germany, Stavenhagen/Germany and Stapelfeld/Germany. As in the prior year, there were no write-downs in 2025.

Due to higher depreciation and amortization compared to the prior year, EBIT (kEUR 135,966, prior year: kEUR 179,218) decreased.

The financial result (kEUR -10,675, prior year: kEUR -6,580) decreased significantly compared to the prior year. The decline is primarily attributable to the increase in interest expenses (kEUR -14,236, prior year: kEUR -10,226), as the liability from the loan from the affiliated company Good Champion Investments Limited (British Virgin Islands) was increased to kEUR 184,800 in December 2024 and remained at this level in the financial year 2025. In addition, interest income (kEUR 2,658, prior year: kEUR 3,502) decreased compared to the prior year. The financial result also included the investment result (kEUR 903, prior year: kEUR 144).

EBT (kEUR 125,291, prior year: kEUR 172,638) is derived by deducting the financial result from EBIT.

Due to the decline in earnings compared to the previous year, tax expense decreased (kEUR -24,658, prior year: kEUR -53,645). While current taxes declined significantly due to the lower earnings (kEUR -29,834, prior year: kEUR -60,242), deferred taxes (kEUR 5,176, prior year: kEUR 6,597) showed only a slight decrease; the positive contribution relating to future tax relief in the reporting year resulted primarily from the reduction in deferred taxes due to the enacted tax rate cuts effective as of 2028. Therefore, the tax rate (20%, prior year: 31%) fell.

Overall, consolidated profit for the period (kEUR 100,633, prior year: kEUR 118,993) declined compared to the prior year.

Financial position

EEW continues to have good internal financing power. Cash flows from operating activities amounted to kEUR 199,849 (prior year: kEUR 181,111) in the reporting period, which is above the prior-year level. The cash outflow from investing activities in the amount of kEUR -205,237 (2024: kEUR -243,092) is mainly due to high investments in new waste and sewage sludge recovery plants. In addition to operating investments in existing plants, the EEW Group primarily invested in growth projects in 2025 such as the new waste incineration facility in Stapelfeld/Germany, the fifth incineration line and sewage sludge mono-incineration plant in Magdeburg-Rothensee/Germany, the sewage sludge mono-incineration plant and the plastic sorting plant in Delfzijl/Netherlands as well as the flue gas cleaning plant in Helmstedt/Germany. Cash flow from financing activities in the amount of kEUR 9,354 (2024: kEUR 76,059) is dominated by the dividend payment to minority shareholders in the amount of kEUR -19,388, the special dividend paid to the shareholder in the amount of kEUR -3,000, and the raising of loans in the amount of kEUR 31,742. As a result of the above, cash and cash equivalents increased by kEUR 3,996 (2024: kEUR 14,078) to kEUR 38,931 (2024: kEUR 34,961) as of year-end 2025.

The EEW Group's financing structure is based primarily on the green bond issued in June 2021, maturing on June 30, 2026, as well as on various loans. In addition, the Group has access to external credit lines as well as credit lines provided by its shareholders to secure short-term liquidity requirements.

As of December 31, 2025, external credit lines with banks totaled kEUR 305,000, of which kEUR 216,843 had been drawn down. This amount includes kEUR 61,817 from bank guarantees. In addition, a syndicated revolving credit facility (RCF) with a total volume of kEUR 180,000 was available, of which kEUR 155,000 had been drawn down as of the reporting date. The term of this credit line ends on November 30, 2026.

In addition, the EEW Group has access to a long-term RCF from Good Champion Investments Limited in the amount of kEUR 250,000, of which kEUR 184,800 had been drawn down as of the December 31, 2025. To further secure long-term financing, an RCF in the amount of kEUR 600,000 was concluded in the financial year 2025 between EEW Energy from Waste GmbH and its parent company, Beijing Enterprises Holdings Limited. The credit line has a term until June 30, 2027, and strengthens the EEW Group's financial flexibility to safeguard liquidity, even during prolonged periods of heightened market uncertainty. There is no refinancing risk. The credit line has not been utilized to date.

The EEW Group maintained its solvency at all times throughout the financial year 2025. Based on available liquidity and available and committed credit lines, there are no indications of liquidity risks as of the reporting date. The refinancing of the green bond and the syndicated RCF is scheduled for the first half of 2026.

Financial position

The balance sheet total of the EEW Group increased year-on-year (kEUR 2,019,059, prior year: kEUR 1,876,268).

ASSETS in kEUR	Dec. 31, 2025	Dec. 31, 2024
Non-current assets		
Intangible assets	34,227	40,463
Property, plant and equipment	1,530,697	1,401,307
Financial assets	22,625	24,653
Receivables and other assets	37,362	25,906
Deferred tax assets	17,318	24,619
Total non-current assets	1,642,229	1,516,948
Current assets		
Sundry financial assets	1,250	1,250
Inventories	136,040	100,592
Receivables and other current assets		
Trade receivables and contract assets	148,891	160,402
Other receivables and other current assets	51,718	62,115
Total receivables and other assets	200,609	222,517
Cash and cash equivalents	38,931	34,961
Total current assets	376,830	359,320
Total assets	2,019,059	1,876,268

On the assets side, the increase was primarily driven by non-current assets, in particular by a significantly rise in property, plant and equipment (kEUR 1,530,697, prior year: kEUR 1,401,307). Changes in sundry non-current assets largely offset one another. Financial assets primarily comprise equity investments and loans to other investees and investors as well as non-consolidated subsidiaries.

Current assets contributed to the increase on the assets side, in particular inventories (kEUR 136,040, prior year: kEUR 100,592), which increased significantly due to both the higher volume of CO₂ allowances acquired during 2025 in accordance with BEHG requirements and a warehousing project that led to a higher revaluation of inventories, as well as cash and cash equivalents (kEUR 38,931, prior year: kEUR 34,961), the increase of which is attributable to the fact that cash inflows from operating and financing activities fully exceeded cash outflows from investing activities.

Current receivables and other current assets (kEUR 200,609, prior year: kEUR 222,517) mainly include trade receivables and contract assets (kEUR 148,891, prior year: kEUR 160,402) and other receivables and other assets (kEUR 51,718, prior year: kEUR 62,115).

EQUITY AND LIABILITIES in kEUR	Dec. 31, 2025	Dec. 31, 2024
Equity		
Subscribed capital	1,000	1,000
Capital reserves	275,900	275,900
Other revenue reserves/profit or loss carryforward	224,994	205,678
Profit or loss attributable to controlling interests	82,972	99,642
Equity attributable to the shareholders of EEW Holding GmbH	584,866	582,220
Non-controlling interests	62,794	64,665
Total equity	647,660	646,885
Non-current liabilities		
Pension provisions	48,748	58,805
Other provisions	21,797	22,627
Bonds	0	399,412
Liabilities to banks	1,998	1,999
Other non-current liabilities	301,710	293,361
Deferred tax liabilities	59,710	68,598
Total non-current liabilities	433,963	844,802
Current liabilities		
Other tax provisions	5,242	3,501
Other provisions	103,593	87,615
Bonds	400,526	722
Liabilities to banks	185,389	157,192
Lease liabilities	6,910	1,825
Trade payables	82,738	57,892
Income tax liabilities	18,066	30,375
Other liabilities	134,972	45,459
Total current liabilities	937,436	384,581
Total equity and liabilities	2,019,059	1,876,268

The equity and liabilities side includes, among other items, the current liability arising from the existing green bond in the amount of kEUR 400,000. The green bond will be repaid no later than upon maturity in June 2026; accordingly, this liability was classified as current as of December 31, 2025. As a result, non-current liabilities (kEUR 433,963, prior year: kEUR 844,802) have decreased significantly and now primarily comprise other non-current liabilities (kEUR 301,710, prior year: kEUR 293,361), which include the Good Champion loan in the amount of kEUR 184,800, pension provisions (kEUR 48,748, prior year: kEUR 58,805), deferred tax liabilities (kEUR 59,710, prior year: kEUR 68,598), and other provisions (kEUR 21,797, prior year: kEUR 22,627).

Current liabilities (kEUR 937,436, prior year: kEUR 384,581) increased significantly, primarily as a result of the recognition of the green bond in the amount of kEUR 400,000 as current. Among other factors, current liabilities were affected by an increase in liabilities to banks (kEUR 185,389, prior year: kEUR 157,192), which was attributable in particular to the raising of a short-term loan amounting to kEUR 29,900. Furthermore, there was an increase in trade payables (kEUR 82,738, prior year: kEUR 57,892) as well as other liabilities (kEUR 134,972, prior year: kEUR 45,459), which resulted from the dividend liability to the owner arising from the distribution resolution. A sharp increase was recorded in provisions for emission allowances, primarily due to the rise in allowance prices from EUR 45/mt to EUR 55/mt.

The equity ratio (32.1%, prior year: 34.5%) declined further.

3. Outlook, opportunities and risks

3.1 Outlook

The EEW Group's consolidated profit is generally shaped by developments in the waste and energy market, operational performance and the corresponding capacity utilization of the plants. Economic and geopolitical conditions exercise a significant influence on its business activities. Quantities not secured by long-term contracts in the spot and commercial markets can be subject to significant fluctuations, while municipal waste quantities reflect both consumer behavior of private households and investment behavior of businesses, which themselves are clearly influenced by macroeconomic trends.

In the first quarter of 2026, the German economy is experiencing only a modest, gradual recovery, as key economic indicators such as industrial production, order intake and retail sales declined significantly at the start of the year and overall economic momentum remains fragile.

At the same time, the geopolitical situation has once again deteriorated significantly during this period. In particular, the conflict between the United States and Israel on one side and Iran on the other, which has been escalating since February/March, has fundamentally weighed on global economic conditions. The military actions of the United States and Israel, as well as Iran's countermeasures – including missile attacks and significant disruptions to shipping traffic in the Strait of Hormuz – are having a massive impact on energy prices, international transport routes and global supply chains. These external shocks are already having a dampening effect on economic development in Germany; however, their full impact cannot yet be clearly predicted and depends largely on whether and how long the conflict persists. A prolonged escalation would significantly increase the risk of additional pressures on energy prices, supply chains and the economy. Additionally, both the ongoing Russia-Ukraine war and the US administration's tariff and trade policies are exacerbating existing uncertainties for businesses and consumers, as they cause ongoing disruptions to energy and commodity markets as well as international trade structures.

Despite challenging overall conditions, the EEW Group once again anticipates an increase in its waste acceptance volume in 2026 compared to 2025. Higher volumes are expected, particularly from municipal and commercial customers; in addition, a further increase in import volumes from other European countries is predicted. By contrast, spot volumes are expected to decline. In terms of price level, the EEW Group is forecasting higher waste acceptance prices. The prices for sewage sludge are expected to be slightly lower until 2027, after which they are anticipated to re-increase moderately. Overall, this points to a forecast of rising revenue in both the waste and sewage sludge businesses. The recent crisis in the Middle East only has a limited impact on these expectations.

The situation in the electricity market is quite different. The external shock resulting from the Iran crisis has already significantly affected futures and spot prices, causing them to rise sharply. However, this will have only a limited impact on electricity revenue in 2026, as the vast majority of electricity volumes had already been sold prior to the onset of the crisis. Nevertheless, high market prices pose an increased risk in the event of unplanned plant outages, as expensive electricity repurchases would then be necessary to meet contractual supply obligations. Unlike in 2026, a significant portion of the electricity sales for 2027 has already been hedged at current high market prices and can therefore be marketed with attractive profit potential. Even for the remaining volumes that have not yet been hedged, there remains significant earnings potential, provided that the high price levels on the electricity market persist.

Based on the newly launched projects, the EEW Group expects electricity production to increase in 2026. In the following years, however, a slight decline in the volume of electricity sold is anticipated in order to create additional flexibility for the supply of steam and heat.

In CO₂ emissions trading, costs are expected to continue to rise and volatility to persist in both national and European emissions trading.

In the heat segment, the EEW Group anticipates heat volumes sold for the financial year 2026 to rise compared with 2025. At the same time, price levels are likely to increase slightly, leading to an overall increase in revenue from the district heating business. However, the revenue development remains heavily dependent on weather conditions, as mild winters can limit sales volumes.

Process steam sales volumes, too, are expected to increase in comparison with the prior year. The price development is believed to remain largely unchanged. Despite stable prices, higher supply volumes will lead to an expected revenue growth in the steam business; still, demand for process steam continues to depend on economic developments, driven primarily by production needs of industrial buyers.

For 2026, the EEW Group again expects an increase in personnel expenses, essentially as a result of higher collective bargaining agreements and additional staff hired to implement the planned growth projects.

Over the forecast period, the trend in cost of materials will be significantly influenced by rising energy prices as well as ongoing disruptions to international transport routes and global supply chains due to the conflict between the United States/Israel and Iran. The resulting increase in energy and transportation costs has a direct impact on numerous operating expenses, including heating oil, transportation and logistics costs as well as the costs of consumables such as bicarbonate (flue gas cleaning) or ammonium hydroxide. Disposal costs are also rising noticeably. Overall, these effects will significantly weigh on earnings as early as 2026.

While the EEW Group continues to anticipate higher cost of materials for 2027, it expects overall lower additional burdens, provided that the Middle East/Iran crisis remains temporary. Should the conflict persist, however, cost of materials will remain highly volatile and risky, with further cost increases likely.

On the other hand, there are positive effects in the area of waste recycling: Higher market prices for non-ferrous metals such as aluminum and copper are leading to higher revenues. In the area of plastic fractions, it remains to be seen whether the improved profitability of plastic recycling driven by higher heating oil prices will lead to further opportunities.

The overall impact of the Iran crisis – in terms of both opportunities and risks – remains unclear at this time. However, for 2026, the EEW Group anticipates a significantly negative net effect, as cost pressures are already being felt, while the positive impact on earnings from high electricity prices remains limited due to the fact that most electricity volumes were sold in advance. From 2027 onwards, however, the opportunities are likely to prevail, as a large portion of the electricity volumes has been hedged at high prices and, assuming the crisis is temporary, cost of materials are expected to be more moderate.

Targets	Result 2025	Target achievement 2025	Forecast for 2026
Total revenue (kEUR)	893,855	Significantly below budget	Clearly above prior-year level
EBITDA (kEUR)	248,742	Slightly below budget	At prior-year level
Waste accepted at waste incineration plants (kt)	4,914	Moderately below budget	Significantly above prior-year level

3.2 Major opportunities and risks of future development

The German legislator has set the objective of making the energy transition a driver of energy efficiency, modernization, innovation and digitalization in power and heat generation. The goal is to achieve a climate-neutral energy system by 2045. While this development poses risks for thermal waste recovery plants, it also presents opportunities as they can offer various system services for the power grid related to flexibilization. EEW's product range currently includes the supply of the minute reserve and revenue from avoided grid use.

EEW's classification as operator of critical infrastructure entails heightened requirements for information security and resilience. At the same time, this regulatory status strengthens the systemic importance of its facilities and helps ensure stable and resilient operations even in exceptional circumstances, thus helping to safeguard the EEW Group's market position in the long term and supporting the sustainable performance of its facilities.

EEW systematically monitors indicators for all known risks and takes corrective action as needed. Key indicators (plant operation, waste throughput, electricity sales, revenue/costs) are reported monthly and supplemented by weekly operational reports. The marketing strategy is defined by an energy risk committee several times a year. There are currently no risks endangering the Group's ability to continue as a going concern; the risk situation is regarded as manageable thanks to the mechanisms installed.

The major risks are explained below.

Market risks

The plants operate with a high proportion of fixed costs. Changes in the sales markets could thus have a major impact on revenue and thus on the financial performance. Expiring long-term contracts can have positive or negative effects on earnings. Impending contract renewals and associated contract periods are carefully reviewed in good time with a view to potential economic impacts.

Due to the continued expansion of renewable energy, electricity prices are expected to remain highly volatile in 2026. The now high share of renewable energy in electricity production proves that climate policy is being driven forward through consistent implementation. Despite lower electricity prices, momentum in the electricity demand sectors of industry, buildings and transportation remains poor.

Market risks remain in the rising volatility of the energy markets. The electricity market is particularly susceptible to considerable earnings fluctuations as some quantities of electricity can only be sold in the short term given the process requirements of thermal waste recovery. EEW's internal energy risk committee takes these special considerations into account in a marketing strategy which they issue several times a year, making recommendations on the use of opportunities and minimization of risks. Based on this marketing strategy, annual, quarterly and monthly volumes are traded on the forward market and volumes sold on the spot market and through intra-day trading. Price volatilities on the forward and spot markets are estimated using statistical analysis instruments.

The marketing revenue achieved by the disposal partner for the metal extracted from the slag has a major impact on the price for the disposal of raw slag (approx. 1,223 kt/a). If marketing revenues fall below a contractually fixed level, EEW must pay compensation (metal price compensation). Because they trade on metal exchanges, such marketing revenues are highly volatile over the year. Nevertheless, disposal costs in 2025 remained at the target level. In addition, the EEW Group incurs about 280 kt flue gas cleaning residues annually, which is mostly used in backfilling. By the end of 2025, several contracts for the disposal of flue gas cleaning residues had expired and needed to be renegotiated. The disposal of sodium bicarbonate-based residues from flue gas cleaning proved particularly challenging, as only a few disposal operators have the ability to process this material. Cost increases are expected in the coming years. Opposing market trends are expected to continue for raw materials, consumables and supplies in 2026. Forecasts predict that economic conditions in Germany and the EU will remain weak, resulting in continued low demand. At the same time, the high cost of energy, which is high by international standards, poses competitive challenges for European producers. Consequently, consolidation trends within the industry are continuing, as production facilities are increasingly operating at low capacity levels that do not cover costs. Price declines present an opportunity if demand still falls short of supply or if cheaper imports offset the decline in domestic production. Conversely, there are risks in the form of rising prices due to insufficient supply and the resulting availability bottlenecks. Additionally, higher transportation costs and the increasing vulnerability of global supply chains are weighing on procurement. For EEW, however, global procurement of raw materials, consumables and supplies is currently not economically viable or is only feasible through European distribution partners.

Factors driving up prices, such as the investment required for climate-neutral production of raw materials, consumables and supplies, as well as geopolitical risks, will remain in place in 2026. In markets with high demand, such as for sodium bicarbonate, capacity expansions are not planned in the short term, so prices are expected to remain high. With the commissioning of two new flue gas cleaning systems that use sodium bicarbonate, significant additional demand has also arisen within the EEW Group, which is not expected to be fully met under economically optimal conditions in 2026.

Against this backdrop, the EEW Group is continuously evaluating technological options to reduce cost and procurement risks throughout the value chain, including a project to recover sodium bicarbonate from filter dust, for which technical concepts have been developed and intellectual property rights acquired, and whose feasibility and relevant technological developments are being continuously assessed.

Aside from that, procurement will continue to focus on ensuring the supply and on strategic cooperation with existing and potential suppliers in the coming years. Alongside established instruments, such as the conclusion of fixed supply agreements, optimizing inventory and logistics strategies is also gaining importance. Establishing alternative suppliers and participating in purchasing group associations remain key instruments for improving the EEW Group's own market position and supply situation. By constantly monitoring the procurement markets, EEW can respond swiftly to market developments and identify new suppliers, products and technologies.

Operational risks

As part of the thermal waste recovery, EEW offers its customers process steam and district heating as well as electricity generated from steam turbines as products. The energy produced must be provided to the customers in contractually defined periods. The operation of thermal waste recovery plants can be restricted or even stopped by certain factors that EEW cannot influence or only to a limited extent. This includes planned or unplanned operational interruptions, plant shutdowns, extended maintenance periods as well as shortage of waste. Furthermore, the disposal of raw slag and filter ash is a critical aspect in plant operation. Unapproved delivered waste fractions could lead to emission limit breaches or fires and thus damage to plant parts. If EEW is not able to fulfill its obligations to supply electricity, steam or district heating in accordance with contract arrangements and the official requirements, there is a risk of compensation payments to customers and loss of reputation. Since possible operational disruptions, emission limit breaches and plant shutdowns can have a significant negative impact on the financial performance, the incineration parameters are monitored continuously by the plant control room using control technology in order to mitigate the risk. Compliance with the emission values through adjustment of the flue gas cleaning is ensured through measurement and control technology. The facilities are regularly checked and maintenance is performed in the course of inspections. If extended, unscheduled plant outages nevertheless occur, it is possible to redirect waste in the EEW facility network with internal and external warehouse capacities. The probability of these risks occurring is moderate.

In order to address various operational risks such as fire and lightning, insurance has been taken out for plants, companies and their assets and employees which covers specific losses, taking into account deductibles, policy limits and premium costs. However, these insurance policies and the contractual provisions may not cover all cases of damage, lost income or increased expenses. EEW is insured at the individual plant level against risks such as damage from natural forces, operational disruptions, etc. However, non-insurable events pose a certain residual risk. EEW classifies the risk for the entire Group as manageable due to the implemented processes and safeguards and the estimated low probability of occurrence.

EEW regularly invests in projects that are subject to various official approval processes to secure and expand its own market position. Planning and bidding processes require long-term preparations and communication with the responsible authorities and other involved parties. This process can be delayed due to extensive local public hearings, legislative amendments, local ordinances or other external factors. EEW counteracts this at an early stage with a communications strategy geared to the relevant stakeholder groups, continuous monitoring of ongoing and planned legislation and by anticipating other potential factors. The development and implementation of such projects entails risks with regard to the uncertainty of the underlying assumptions concerning investment volume and the time of completion as well as risks from the application and impact of innovative technologies. Projects may have to be discontinued with the loss of the capital invested. The general project risks also include risks of cost increases and delays in the process.

In addition to its own thermal waste recovery plants, EEW also manages the operations of public and private thermal waste recovery plants based on long-term agreements. If operational management agreements were terminated or were not extended after expiry or were extended on less favorable terms, EEW could lose revenue and earnings.

EEW's own information systems and that of its providers and suppliers are threatened by increasing and continuously evolving cybersecurity risks that could arise in different forms (such as Trojans, viruses). Therefore EEW has concluded service agreements with leading providers of hardware, software and telecommunications services. Since 2024, the 24/7 virtual security operation center services (vSOC) have been implemented for office IT. The vSOC for operational technology started to be rolled out in 2025. Started in August 2023, the implementation of the information security management system (ISMS), which is based on ISO 27001:2022, is scheduled to be completed by the end of Q3 2026 across EEW. All of EEW's plants for thermal waste treatment have been classified as operators of critical infrastructure in accordance with BSIG since January 1, 2024. The external examinations on providing evidence in accordance with Sec. 8a BSIG (information security) started in October 2025 and are expected to be completed on October 9, 2026.

The EEW Group's ability to meet future operational targets is significantly dependent on the unwavering commitment of its management and workforce. Hiring, training, retaining and motivating highly qualified employees is therefore of key importance. Employees receive intensive training in numerous training units and comprehensive occupational health and safety measures are also taken.

Environmental and regulatory risks

The EEW Group's revenue is dependent on the one hand on the development of the waste and energy market and on the other on the development of listed electricity prices. The legal framework for EEW's "energy from waste" business model is defined by EU regulations as well as national laws and ordinances including, for example, the German Closed-Loop Recycling Act (KrWG), the German Packaging Act (VerpackG), the German Commercial Waste Ordinance (GewAbfV), the German Sewage Sludge Ordinance (AbfklärV) or a new climate protection law with more stringent reductions of greenhouse gas emissions. The following section covers the topics most relevant to business management.

Material Flow Management

EEW's management of material flows aims to ensure optimal and sufficient storage levels of waste for winter stocks based on economic considerations, guaranteeing full capacity utilization in the plants and compliance with its energy supply obligations. However, the stockpiling is linked with continuously rising costs.

On the other hand, there is a risk that, in the event of severe winter weather, there will either not be enough waste volumes available in storage or that stored volumes cannot be transported to the plants in time. Cost increases may be encountered in EEW's own transport organization, in particular in the event of having to redirect waste or additionally transporting it to storage facilities as a consequence of changed legal framework conditions (e.g., toll increases due to CO₂ pricing). Moreover, there is a risk of bottlenecks in transport capacities and related price increases in the transport market.

Outlook, opportunities and risks

German Commercial Waste Ordinance (GewAbfV)

The 2017 amendment of the GewAbfV and the subsequent amendments were a major propellant behind the further expansion of the recycling potential of commercial municipal waste and construction and demolition waste in the Federal Republic of Germany. Despite the new obligations, we believe that the provisions of the ordinance have not been able to fully achieve their intended effect. This applies in particular to achieving the envisaged recycling rate for the pre-treatment (sorting) of mixed waste. In our opinion, waste that needs to be collected separately is still too often collected as mixed waste and pre-treatable waste is too frequently incinerated for energy recovery. The findings of a study commissioned by the German Federal Environmental Agency in 2023 revealed that this is because of a lack of clarity in the wording of the ordinance, inadequate implementation by waste producers/holders and deficits in official enforcement.

In April 2024, the draft bill for the amendment of GewAbfV was presented. The aim of the bill is to make the ordinance more stringent and enforceable, to strengthen official control over the separate collection of commercial municipal waste and construction and demolition waste and to ensure that the envisaged recycling rate is achieved during pre-treatment.

In view of the deficits in official enforcement, the planned changes can and should be accompanied by further measures by the federal states based on current law. In particular, there are plans for stricter official controls of waste incineration plants to check for compliance with the pre-treatment obligation. Another change relates to the limitation of the cascade treatment of commercial waste to a maximum of two plants connected in series.

Subsequently, the amendment was adopted by the Bundeskabinett (Federal Cabinet) in November 2024 and was sent to the German Bundestag. It was originally scheduled to be passed by the Bundesrat (German Federal Council) in July 2025, but was removed from the agenda on short notice, so the vote did not take place. The process has been stalled ever since. Originally, the Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUV) had planned the GewAbfV amendment to take effect on July 1, 2026, though experts consider this rather unlikely.

The amendment to the German Commercial Waste Ordinance poses moderate risks to the business model of thermal waste treatment. On the one hand, stricter requirements for waste inspections and reporting obligations will result in additional operational costs for the facility. On the other hand, it is expected that the increasing separate collection of organic waste will affect the volume and composition of the waste sent for thermal treatment. Changing calorific values and rising proportions of fossil carbon may also have an adverse effect on costs and revenues.

According to the latest figures of the European statistical office Eurostat, cross-border shipment of notified waste climbed to a record high in the European Union in 2023, with Germany as a net importer. This mainly concerns construction and demolition waste (chapter 17 European List of Waste Ordinance [AVV]) and waste from waste and effluent treatment facilities (chapter 19 AVV). Chapter 19 waste, in particular, saw a significant increase in imports into Germany, generally for thermal recovery. It is to be assumed that this trend will continue through the upcoming years.

National emissions trading (BEHG): inclusion of waste incineration from 2024

Thermal waste recovery has been subject to reporting and surrender obligations under the national emissions trading scheme since January 1, 2024. The legal basis for this obligation is the BEHG dated December 12, 2019, as last amended by Art. 7 of the Act dated December 22, 2023.

Until and including 2025, the BEHG defined a fixed price, setting the price for allowances at EUR 55 per ton of CO₂ in 2025. In 2026, the national emissions trading system will transition to an auction phase, during which prices will be determined within a statutory price range of EUR 55 to EUR 65 per ton. Any remaining allowances beyond this range will subsequently be offered at a fixed price of EUR 68.

The reporting obligation requires plant operators to monitor CO₂ emissions and report to the competent authority, the German Emissions Trading Authority (DEHSt) at the Federal Environmental Agency (UBA). There are two methods available: Monitoring using continuous emissions measurement (CEMS) or using the calculation approach, which is largely based on standard emission factors specified by the authorities. EEW uses the approach based on standard emission factors, as this allows the costs incurred to be allocated transparently to the individual deliveries. These costs can therefore then also be adequately passed on to the customers. The surrender obligation means that the plants have to purchase the required quantity of national emission trading certificates at the prices stipulated by law for the monitored and reported emissions and then surrender these certificates to the competent authority (DEHSt) in accordance with the relevant legislation, this being the German Ordinance on Emissions Reporting 2030 (EBeV 2030). This combination of reporting and surrender obligations applies to each calendar year as a reporting year and requires close cooperation between the plants and central departments as well as a nuanced response to market conditions.

The introduction of CO₂ pricing in thermal waste treatment from 2024 onwards, based on the BEHG (increase in the cost of incineration in Germany), has not yet resulted in a noticeable increase in exports. Whether this risk will materialize remains to be seen in the coming years. In addition, there are legal uncertainties regarding the costs incurred in connection with the BEHG for the procurement of CO₂ certificates and the passing on of these costs to the public waste disposal agencies in accordance with the polluter-pays principle.

European Emissions Trading System (EU ETS): expected inclusion of waste incineration

The trilogue agreement with the European Council and European Parliament required the European Commission to present a plan by mid-2026 on how to include waste incineration facilities in the EU Emissions Trading System (EU ETS) and to what extent other relevant topics, such as the landfilling of waste, which is still used extensively in the EU, can be integrated into the legislation. From today's point of view, integrating waste recovery is envisaged for 2028 at the earliest, though more likely in January 2031, coinciding with the change in the trading phase under the ETS. In the meantime, plans are in place for the ETS 2, which will also include "buildings" and "transport" sectors in emissions trading, albeit separately. From a present-day perspective, waste recovery is to be integrated into the current emissions trading system for the industry, which will then be called the ETS 1. However, the European Commission requires a meaningful set of data for its evaluation phase, which is why a reporting obligation for thermal waste recovery in European emissions trading will apply as of January 1, 2024. The actual rules for this reporting were transposed into national law by the so-called "TEHG amendment," the "Act to Amend the Greenhouse Gas Emissions Trading Act in Line with the Amendment of Directive 2003/87/EC (TEHG European Law Adaptation Act 2024)," which was passed by the Bundestag on January 31, 2025, and by the Bundesrat on February 14, 2025. The German authorities are hoping to harmonize reporting as far as possible at both national and European level. There is no surrender obligation in this context, but such an obligation is expected to be transferred from the German to the European system as of 2028 at the earliest. It is not yet clear to what extent the German legislator will adapt the rules for this transitional period.

Outlook, opportunities and risks

Legal risks

Due to different legal views between EEW companies and contractual partners, legal risks can materialize, resulting in the necessity to clarify disputes with the help of court or arbitration proceedings. The outcome of such proceedings can in some cases have a significant effect on the operating results of the individual companies. These risks are limited by the early involvement of the Group's own legal department in the negotiation, conclusion and execution of major contracts. External legal advisors are used to assess and mitigate imminent risks from a legal perspective, where necessary.

Financial risks

The EEW Group provides waste disposal services and energy supplies in the areas electricity and heating/steam for a variety of customers. To mitigate credit risks, incoming payments on invoiced services are monitored on a regular basis, outstanding accounts receivable are systematically tracked and reminders are sent out. Furthermore, credit reports are obtained. Credit risks are managed in close consultation between the sales department and receivables management.

In 2024, a contractual agreement was reached with the long-standing business partner to regulate the purchase price as part of the sale of an asset. The purchase price receivable arising from a lease agreement was renegotiated during the financial year due to a deterioration in the debtor's financial condition. Should the debtor's financial stability deteriorate, this would result in financial risks for the EEW Group.

Currency risks currently only arise to a minor extent, as the EEW Group performs its business activities mainly in Europe and invoices them almost exclusively in euros. Currency risks can only arise through specific project activities in foreign currencies.

In the course of the refinancing of the green bond and the RCF planned in the financial year 2026, higher interest expenses are to be expected given the current interest rate environment. Moreover, the EEW Group is exposed to general interest rate and market risks. Changes in interest rates affect, among others, the present value of pension provisions.

At present, available cash and cash equivalents are mostly invested in time deposits with short notice periods, thus limiting the interest rate and liquidity risk.

Opportunities

Several areas offer growth and related opportunities to boost the EEW Group's earnings in the relevant target waste disposal and energy markets.

The new plant to replace the existing facility in Stapelfeld/Germany will cement the EEW Group's significance in the Hamburg and Schleswig-Holstein regions for the long term. EEW's internal analysis of the development of the electricity and heating market in Germany and the resulting opportunities will be used to establish a new energy marketing business model – including grid system services with battery storage and the integration of heat pumps. Creating flexibility in a targeted manner will provide added value and contribute to the stabilization of the grids. The underlying concept is designed to be applicable across all locations and, following successful implementation and validation, is intended to be rolled out to other EEW locations in the future. This can lead to the creation of a scalable business model that leverages synergies within the asset portfolio and strengthens the Group's position in the energy sector in the long term.

In the area of sewage sludge disposal, the Company continues to expect a clear market recovery from the year 2029 onwards, in light of the upcoming legal requirement for phosphorus recovery, which will largely preclude alternative disposal methods such as co-incineration and soil-based use of sewage sludge starting in 2029. The resulting shift in volume streams toward thermal mono-incineration will most likely lead to a clear revitalization of the market and a lasting improvement of profitability in sewage sludge recovery.

As in 2025, EEW as a company will follow up on data and their appropriate use to streamline processes, make forecasts and increase customer satisfaction in the next years. For example, peak loads in the power grids of the general supply into which the plants feed can already be predicted with a certain degree of probability using well-trained algorithms. This tool is updated regularly. Currently, work is also being done on expanding the data provision for the EEW plants, designed to enable improved revenue generation from the plants in terms of energy revenues. Against the backdrop of volatile energy markets, growing regulatory requirements, and rising ESG expectations, EEW is gradually shifting its energy management focus toward cost-effectiveness, flexibility and transparency. In this context, opportunities for optimization in the generation and marketing of electricity, heat and process steam are increasingly viewed from an overall perspective and coordinated across the entire Group. The goal is to better align the existing asset base with market signals, leverage synergies within the portfolio and sustainably strengthen value creation in the energy sector.

International selling activities

The national subsidiary EEW Polska is involved in the acquisition of waste in Poland, which is thermally recovered within the EEW Group in Germany. The distribution services of EEW Polska include the procurement and notification of waste as well as material flow management. At the same time, EEW Polska is monitoring the development of the Polish waste market in terms of identifying investment opportunities, as the market for thermal waste treatment in Poland has a significant shortage of treatment capacity. At the same time, the EEW Group has stepped up its selling activities in the Italian market, intending to use a local subsidiary to streamline the collection, notification, and logistics of waste that is to be transported from Italy to EEW facilities for recovery.

Portfolio enlargement

In addition to building new waste and sewage sludge recovery plants, EEW is also working on expanding its product and service portfolio in the waste segment: Chemical recycling of plastic waste or thermal treatment of electronic waste for the purpose of recovering precious metals and rare earth elements are examples of innovations throughout the current value chain.

Projects and activities in connection with the disposal of residues include recovery of operating resources (sodium bicarbonate), preparation of flue gas cleaning residues for use as an additive in the construction materials industry or securing capacities for disposal of flue gas cleaning residues in the long term.

Digitalization and the use of AI tools will also contribute to process optimization and efficiency enhancements at EEW. To this end, several projects were launched as well as driven forward and implemented in 2025. As in this year, EEW as a company will follow up on data and their appropriate use to streamline processes, make forecasts, create better bases for decision and ultimately increase the efficiency of collaboration with, and satisfaction of, our customers in the next years.

Outlook, opportunities and risks

The EU Waste Framework Directive and especially the Landfill Directive, with its target of reducing the landfill volume to under 10% by 2035 (European Commission – COM 304, 2023), have a future potential for waste incineration in spite of a high percentage of recycling and material recovery. According to the latest Eurostat data, Germany once again ranks first among EU member states for 2023, achieving a recycling rate of 69%. However, the majority of EU member states are far from meeting the targets set out in the EU Waste Framework Directive, which increases the likelihood of demand for EEW incineration capacity from abroad.

Additional positive effects still result from the planned coal phase-out in Germany. Although there are now differing political views on an earlier phase-out by 2030, the legally mandated phase-out by 2038 at the latest remains in effect for the time being. Some power plant sites have already adjusted their plans to accommodate earlier shutdown dates, resulting in reduced capacity in certain regions even today. Looking forward, the gradual withdrawal from coal-fired power generation will lead to declining co-incineration capacities, which is likely to result in additional volumes of sewage sludge being diverted to thermal mono-incineration.

Increasing requirements for municipal waste (increased statutory recycling ratios), raised targets for minimum recycling components in plastic packaging and rising costs for fossil CO₂ emissions (EU ETS and BEHG) are creating new opportunities for the construction of more plastic pre-sorting plants (as it is already the case in Delfzijl/Netherlands), even though the current market situation for recycled plastics is tight.

As the fleet of plants of the competitors ages, short-term, unplanned downtimes will continue to occur more frequently, giving EEW the opportunity to absorb these volumes on favorable terms thanks to its extensive network of plants.

Green Financing Framework, ESG rating and sustainable financing

In keeping with its aim of contributing to climate-friendly energy generation and to advance its role in the circular economy, the EEW Group has a Green Financing Framework in place since 2021. The framework provides transparency and comparability regarding which investments contribute to the transformation agenda in the areas of climate change, energy and the circular economy, and are generally eligible for sustainable financing.

The Green Financing Framework defines the basis for the issuance and use of green bonds, green loans and similar financing instruments to (re-)finance suitable projects. It is orientated to acknowledged market standards, including, in particular, the green bond Principles published by the International Capital Market Association (ICMA) and the Green Loan Principles issued by the Loan Market Association (LMA), and takes into account the EU Taxonomy as a reference for transparency and sustainable finance compatibility. An external second party opinion (SPO) confirms the quality and transparency of the framework.

The focus is on projects aimed at improving the climate impact of energy generation, increasing energy efficiency and energy utilization rates, expanding heat extraction and system flexibility in terms of energy (e.g., storage solutions), and further developing CO₂ capture and utilization solutions (CCU/CCS) to decarbonize the business model. Funding is provided exclusively within the categories of use of proceeds defined in the framework and based on a documented selection process.

The Green Financing Framework went through a major revision during the reporting year and will be published in May 2026 along with an updated SPO. It represents a logical next step in the Green Finance Strategy that has been pursued since 2021, under which successful green financing instruments, including a green bond, have already been implemented. Overall, the framework facilitates access to sustainable sources of financing, enhances transparency for investors and has the potential to improve financing conditions in the long term.

In addition, the EEW Group's sustainability performance is regularly assessed by external ESG rating agencies; in 2025, EEW was awarded the ISS ESG PrimeStatus (B) for the first time, placing the Company among the top 25% in the "Multi Utilities" sector. Previously, sustainability was assessed by Sustainalytics until 2024 (the most recent score was 20.2, medium risk).

Future development

EEW intends to expand its role in resource conservation and sustainable energy supply and thus make a major contribution to the circular economy in Europe. In an energy and resource landscape that is increasingly focused on climate neutrality, the Company fosters its role through improved energy efficiency, intensified use of renewable energy at its plant locations and a consistent commitment to recycling and reducing greenhouse gases.

At the same time, EEW makes targeted investments in technological innovations, advanced processes and new service offerings to enhance its own competitiveness while driving the development of modern, resource-efficient solutions. The continuous improvement of facilities and processes lays the foundation for greater sustainability, reliability and future viability across the entire corporate group.

In addition, EEW continues to develop its organizational and social structures. This includes employee development, strengthening stakeholder dialogue and additional measures to enhance the safety and resilience of its plants. This comprehensive approach not only supports internal development but also the Company's ability to fulfill its social, environmental and economic responsibilities over the long term.

In this way, EEW clearly and visibly positions itself as a reliable partner, innovative driver and an attractive employer, thereby strengthening its role in a sustainable European energy and circular economy.

The ongoing conflict in the Middle East (between the United States/Israel and Iran) has exposed geopolitical uncertainties and poses risks to the energy and commodities markets both in the short term and over the long term. In particular, disruptions to key transport routes such as the Strait of Hormuz have led to significantly rising oil and gas prices, higher volatility and strain along global supply chains, which entails cost and planning risks for energy-intensive industries in Europe. If the escalation persists, inflationary effects could intensify and investment decisions could be delayed. This development underscores the strategic importance of resilient, regionally available energy sources, which could open up opportunities for waste recovery and power generation in the medium to long term.

Outlook, opportunities and risks

Helmstedt/Germany, April 10, 2026

EEW Holding GmbH

The board of management

Poppe

Manns

Schmidt

INDEPENDENT AUDITOR'S REPORT

To EEW Holding GmbH, Helmstedt/Germany

Audit Opinions

We have audited the consolidated financial statements of EEW Holding GmbH, Helmstedt/Germany, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2025, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and the notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of EEW Holding GmbH, Helmstedt/Germany, for the financial year from January 1 to December 31, 2025.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “IFRS Accounting Standards”) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2025 and of its financial performance for the financial year from January 1 to December 31, 2025 and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Responsibilities of the Executive Directors for the Consolidated Financial Statements and the Group Management Report

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

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

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

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

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

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

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Magdeburg/Germany, April 10, 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Dr. Jan Fürwentsches
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Michael Bornkamp
Wirtschaftsprüfer
(German Public Auditor)