



Annual Report

2025



THE DALDRUP GROUP 2025 AT A GLANCE

51.1 MILLION
EUR
**TOTAL
OPERATING
OUTPUT**

Previous year: EUR 54.6 million

1.29 EUR
**EARNINGS
PER SHARE
(EPS)**

Previous year: EUR 0.42

8.7 MILLION
EUR
EBIT

Previous year: EUR 6.9 million

10.7 MILLION
EUR
**OPERATING
CASH FLOW**

Previous year: EUR 12.1 million

17.1%
**EBIT
MARGIN***

Previous year: 12.7%

5.2 MILLION
EUR
**FREE
CASHFLOW**

Previous year: EUR 9.7 million

*in terms of total operating output

Daldrup & Söhne AG is a leading provider of drilling services in Central Europe.

The Group operates in the business segments of Geo-thermal Energy, Raw Materials & Exploration, EDS* and Water Procurement.

Daldrup is therefore active in sectors that are of great importance for the sustainable use of natural resources and for future generations.

As a third-generation, family-run medium-sized enterprise, Daldrup is distinguished by its long-standing industry insight and a unique range of drilling services.

With its strategy focused on high-quality drilling services, Daldrup continues the company's tradition spanning over 80 years.

* Environment, Development, Service



BUSINESS UNITS



GEOTHERMAL ENERGY

Drilling services for near-surface, medium-depth and deep geothermal energy.

➤ Drilling depths up to 6,000 m

FISCAL YEAR 2025

➤ Share of total output: 30.6 %

➤ Projects, incl.:

Deep geothermal drilling for Neuruppin Municipal Utilities

Upgrading and recommissioning of an existing borehole, as well as the construction of a new vertical borehole for the city of Prenzlau.

➤ Preparations for the start of drilling in 2026 for the

Olching Project of Amperland Thermalwärme GmbH

the second major project for Innovative Energie für Pullach GmbH

RAW MATERIALS & EXPLORATION

Drilling projects serve exploratory purposes and to expose depositories of fossil fuels as well as mineral raw materials and ores.

Furthermore, the business unit carries out work to investigate and stabilise the ground in mining areas or in road, bridge, tunnel and civil engineering projects, including the search for suitable final repositories for radioactive waste.

➤ Drilling depths up to 2,000 m

FISCAL YEAR 2025

➤ Share of total output: 50.2 %

➤ Projects, incl.:

Gas relief and level boreholes as part of post-mining remediation in the Ruhr region

Exploratory boreholes for salt extraction in Switzerland; research boreholes in Krefeld





EDS (ENVIRONMENT, DEVELOPMENT, SERVICE)

Drilling includes special environmental technology services such as hydraulic decontamination of contaminated sites, the erection of gas extraction wells to extract mine / landfill gas, the creation of ground-water quality measuring sites or the erection of water treatment plants.

➤ Drilling depths up to 1,200 m

FISCAL YEAR 2025

➤ Share of total output: 14.7 %

➤ Projects, incl.:

Work on backfilling abandoned boreholes in Switzerland

Filling of voids in old mine workings and shafts with mine backfill in the Ruhr region and the Saarland.

WATER PROCUREMENT

This business unit represents the entrepreneurial origins of Daldrup & Söhne AG. It includes drilling wells to obtain drinking water, process water, thermal and mineral water, boiler feedwater and cooling water as well as thermal brine.

➤ Drilling depths up to 600 m

FISCAL YEAR 2025

➤ Share of total output: 4.5 %

➤ Projects, incl.:

Well drilling for drinking water procurement in Lugau (Saxony)

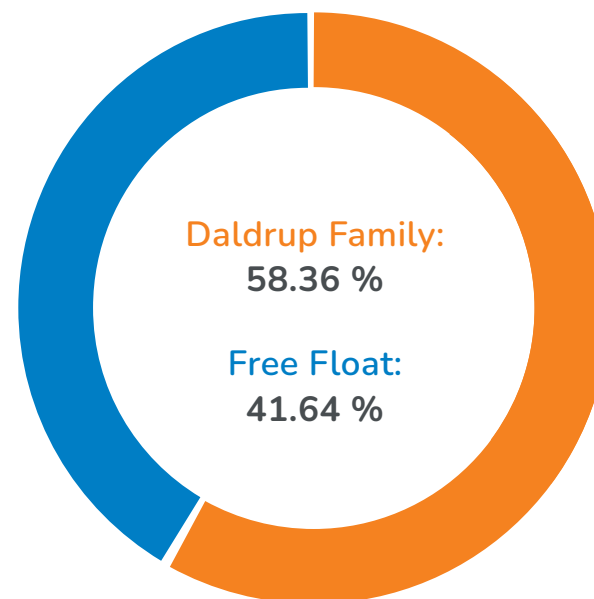


KEY FINANCIAL INDICATORS FOR THE DALDRUP GROUP

In million euros	2025	2024	Change
Total operating output	51.1	54.6	- 6.4 %
EBITDA	10.6	8.5	+ 24.8 %
EBIT	8.7	6.9	+ 25.8 %
Group annual net income	7.7	2.5	+ 211.5 %
Total assets	46.5	34.2	+ 35.9 %
Group equity ratio	65.3 %	68.8 %	- 3.4 Pp
Employees	157	152	+ 3.3 %
Order backlog	120 (on March 2026)	31 (on March 2025)	+ 287 %
Relevant market volume*	380 (on March 2026)	405 (on March 2025)	- 6.2 %

* The relevant, processed market volume, assessed using occurrence probability, shows the potential for new business over the next few years

SHAREHOLDER STRUCTURE AS AT 31/12/2025



KEY INFORMATION ABOUT THE SHARE

ISIN: DE0007830572

WKN: 783057

Ticker Symbol: DS

Exchange segment: Open Market,
Scale of the Frankfurt Stock Exchange

CONTENT

FOR FISCAL YEAR 2025

TO OUR SHAREHOLDERS	07	GROUP MANAGEMENT REPORT	18	CONSOLIDATED FINANCIAL STATEMENTS	72
Interview with Andreas Tönies, CEO	08	A. Daldrup Group –	19	Consolidated Income Statement	73
Report of the Supervisory Board	11	Business activity, group structure, market, competition and economic environment		Consolidated Balance Sheet	74
for the 2025 fiscal year				Group Equity Statement	75
Daldrup & Söhne AG share 2025	14	B. Results of Operations,	49	Consolidated Cash Flow Statement	76
		Net Assets and Financial Position		Notes to the Consolidated	77
		C. Risk and Opportunities Report	54	Financial Statements	
		D. Forecast Report	65		
		E. Information on treasury shares	70	INDEPENDENT AUDITOR'S REPORT	90
		according to Section 160(1)(2) of the German Stock Corporation Act			
				ADDITIONAL INFORMATION	94
				Fiscal calendar	94
				Investor Relations Contact	94
				Imprint	94

Please note that rounding differences may occur if rounded amounts or percentages are used due to commercial rounding practices.

INTERVIEW WITH ANDREAS TÖNIES, CEO

► How did Daldrup & Söhne perform in 2025?

Overall, fiscal year 2025 was a very successful year for Daldrup & Söhne. The EBIT rose by 25.8 % to EUR 8.7 million, which is undoubtedly the most important indicator for our shareholders. In terms of total operating performance, this results in an EBIT margin of 17.1 % for 2025, compared to 12.7 % in the previous year. We have thus clearly exceeded our forecast range for the reporting year of an EBIT margin between 10 % and 12 %. Total operating output, however, settled at around EUR 51.1 million, just below the forecast figure of around EUR 52 million; however, this is solely attributable to the start of drilling for the Pullach geothermal energy project having been postponed to 2026.

► What role do the various business units play in this segment?

The **Raw Materials and Exploration business unit** dominated in 2025, contributing half of our total output. Amongst other things, this includes gas relief and level boreholes as part of post-mining remediation, as well as exploratory and research drilling. For example, the stability of the sub-soil must be assessed before bridge piers can be erected. In 2025, **Geothermal Energy** accounted for around one-third of our total output. The deep geothermal sector was committed to preparations for the Pullach and Olching projects. And our **Environment, Development and Service business unit (EDS for short)** accounts for one-seventh of total output. This includes remediation of former industrial

sites and decommissioning of abandoned boreholes.

The **Water Procurement business unit** (for drinking water, medicinal water and mineral water) accounts for less than 5 % of our total output.

With our various business units, we have a diversified and stable business model. Should demand in one area be lower, we can deploy the freed-up drilling rigs and drilling crews in other business areas.

► Have the prospects for Daldrup changed? And if so, for better or for worse?

Undeniably an improvement, especially for our Geothermal Energy division. But demand for drilling projects is also expected to rise in the coming years in the field of Exploration and Raw Materials, for example, in the search for suitable sites for geological repositories for radioactive waste in Germany.

In the geothermal energy sector, two regulatory improvements are providing a particularly positive boost: the Geothermal Energy Acceleration Act (Geothermiebeschleunigungsgesetz, or **GeoBG** for short) and the KfW promotional loan 'Geothermal Energy with Exploration Risk Insurance' from Munich Re.

The Geothermal Energy Acceleration Act makes it easier to implement geothermal energy projects more quickly and with greater predictability. Previously, the approval process took up to five years, because the relevant mining authority had to invite comments from all bodies that might have

been affected by a project – namely local authorities, water management agencies, local residents and environmental groups. These stakeholders often took months to respond. If no reply was received, the authority had to follow up. Since the Bundestag passed the Geothermal Energy Acceleration Act on 4 December 2025, comments must be submitted within six weeks. If no reply is received by then, the authority assumes consent has been given. It is now virtually impossible to block or deliberately delay the process.

Another driver of geothermal energy is the **KfW promotional loan 'Geothermal Energy with Exploration Risk Insurance'**, launched in December. The key element here is the exploration risk insurance. The insurance covers drilling costs if there is no discovery or only a partial discovery. This reduces the risk for investors such as local authorities or municipalities, who fear that drilling might prove fruitless, because the money would then be lost.

► Geothermal energy is, after all, something of a niche topic compared to other renewable energy sources. Or is it?

Perspectives on this topic are shifting: Geopolitical changes are transforming geothermal energy from a niche topic into a strategic factor. After all, geothermal energy lies beneath our feet, making it a domestic resource. Accordingly, geothermal energy does not need to be shipped through the Strait of Hormuz or across the Atlantic. At the same time,

it eliminates the significant carbon emissions associated with the global transport of fossil fuels. Furthermore, geothermal energy is capable of providing base load power. This is an enormous advantage, because there is no strategic value in doubling the number of wind turbines and solar panels if it is dark and there is no wind. Furthermore, geothermal energy can provide a large proportion of the heat supply. This is hardly possible with wind power and photovoltaics. The LIAG study shows that, as part of the energy transition, geothermal energy could supply over 40 % of renewable heat for space heating and hot water in Germany by 2045.

➤ **What does this mean for Daldrup & Söhne?**

Even without considering the effects of the regulatory improvements in the geothermal sector that have now been enforced, our rigs for already approved medium- and deep-drilling projects are operating at full capacity for the next two years. The approval processes for the projects we are currently implementing began years ago. The enforcement of the Geothermal Energy Acceleration Act along with the launch of the KfW and Munich Re's 572 funding programme gave us another boost.

➤ **Where is the greatest potential for geothermal energy?**

Germany's geothermal 'Eldorado' is located in the Munich area, the Upper Rhine Graben and in Brandenburg. This is reflected in our order books. Whilst we closed out 2024

with a total order intake of EUR 31 million, it had already reached around EUR 128 million by the end of 2025. Two major contracts in the Munich area (in Pullach and Olching) contributed significantly to this massive increase. The geothermal market relevant to Daldrup¹ (in Germany, Austria, Switzerland and the Benelux countries) reached around EUR 380 million at the end of March 2026.

➤ **How are you managing this growth?**

By 2025, we had already increased the number of our own drilling rigs from 45 to 54. This figure includes rigs for infrastructure projects as well as two state-of-the-art rigs for medium drilling depths. At the same time, we have reinforced our drilling teams with experienced drilling professionals. I would like to take this opportunity to say that our entire operational and administrative workforce plays a key role in our company's success. Without it, none of this would be possible in the first place. Furthermore, we have become more efficient through the introduction of smart systems and are continuously working to enhance our operational performance. This is reflected in our significantly improved EBIT margin for the reporting year. However, we prioritise sustainable, well-managed development over growth at all costs.

That explains why we are also exploring strategic partnerships at home and abroad. As a general contractor, we are looking for partners, not subcontractors. We want our partners to share in our success but also bear a share of the

risk in the event of failure. That's why we are seeking joint ventures with companies that provide drilling rigs and operational drilling crews. We take care of the rest. This strategy empowers us to scale our operations and take on more projects than if we were to rely solely on our own equipment.

➤ **You already mentioned the additional drilling rigs that were procured for infrastructure drilling. What are the corresponding prospects?**

The federal government's infrastructure measures should be reflected in our order intake in the medium term. The special fund of EUR 500 billion (that is, the additional debt allocation) is supposed to be channelled into infrastructure that has been neglected for decades. However, due to time-consuming bureaucratic approval procedures, investment in infrastructure is progressing only slowly. But as soon as the projects get underway, our drilling teams will be the first to get to work on exploratory surveys. This is because the load-bearing capacity of the subsoil must first be assessed, not only for bridge construction but also for building roads or railway lines. We are already seeing numerous tenders that we can then fulfil using our small to medium-sized drilling rigs.

➤ **What is the competitive landscape like?**

The bottleneck is generally not the financing of geothermal energy projects or projects in our other business units. The bottleneck lies with the companies that possess the

¹ The relevant, processed market volume, assessed using occurrence probability, shows the potential for new business over the next few years

necessary drilling expertise for medium-depth and deep geothermal projects. We are currently participating in three times as many geothermal tenders as we were two years ago. Shallow geothermal energy, up to a depth of 400 metres, is a stable market. In this segment, we generate a total output of between 6 and 7 million euros. Only a few competitors carry out medium-depth and deep geothermal drilling in German-speaking countries. Unlike our competitors, we offer the complete value chain from planning to turnkey implementation under various contract types. Projects can be managed under a contract for work and services or a general contractor agreement based on daily rates, under which we provide all ancillary services.

➤ **Given the expected rise in demand, could international competitors become active in Daldrup' markets?**

We consider the likelihood of competitors from outside Europe entering the German market to be low – even in the long term. The possibility that potential competitors from China or the USA might consider taking this step exists only in theory. In practice, however, they would fail due to the existing high barriers to market entry, particularly in Germany. Under the German Mining Act, there are rigorous documentation requirements regarding the structural specifications for drilling rigs as well as the approval procedures required for setting up drilling sites and drilling rigs. These requirements are unknown overseas and in the Far East. The approval of a new drilling rig involves a significant

amount of administrative work. Before we are permitted to commission a rig, we must demonstrate that every single component complies with the relevant conformity requirements. The drilling rigs must especially comply with explosion protection guidelines. Components must not pose any ignition sources, and structural stability must be verified by a structural engineer responsible for the design and an officially approved testing engineer. If a single certificate – even a small piece of paper from a manufacturer – is missing anywhere, approval will be refused. Our extensive track record ensures we handle this process seamlessly. But for a foreign supplier, these hurdles are difficult or even impossible to overcome.

The dimensions of drilling rigs from US suppliers also act as a barrier to market entry. When you drive through a tunnel in Germany, the road is 2.50 to a maximum of 3 metres wide and the tunnel ceiling is often 4 metres high. By contrast, some drilling rigs from China or the USA are 3.50 metres wide and 6 metres high. You simply cannot get them out of the port here, let alone through a tunnel. Simply put, our market position is highly defensible and built to last.

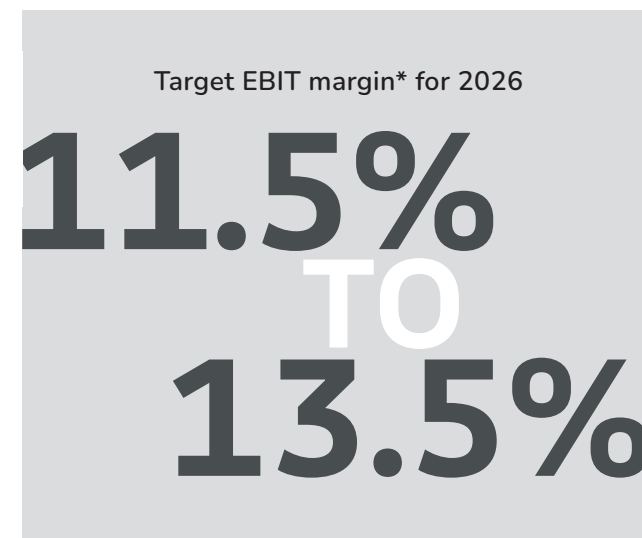
➤ **What do you foresee for the year 2026?**

As previously described, our goal is to continue to achieve sustainable and solid growth in the current fiscal year. Consequently, based on the high utilisation of our drilling rig capacity, the satisfactory order book and the existing order

potential, we expect for 2026 a **total output of around EUR 58 million**. As for the operating profit before interest and tax (EBIT), we forecast a range of between 11.5 % and 13.5 % output.

➤ **And what is your dividend policy?**

Last year, we paid out a dividend again for the first time in a while. We would like to continue to allow our shareholders to share in the success of Daldrup & Söhne AG in the future and are pursuing stable dividend growth.



*in relation to total output

SUPERVISORY BOARD REPORT

During fiscal year 2025, the Supervisory Board of Daldrup & Söhne AG duly performed the supervisory and advisory duties incumbent upon it under the law, the Articles of Association and the Rules of Procedure.

Daldrup & Söhne AG's business performance in fiscal year 2025 was positive overall. In addition to increased demand, this success stems from the consistent rollout of improved efficiency measures in operational activities, which led to increased profitability. At the same time, the improved regulatory framework in the geothermal energy sector, which became apparent during the reporting year, and the energy price environment had a favourable impact on market conditions.

The Supervisory Board regularly provided advisory support to the Management Board in executing the strategic vision of the company and the Daldrup Group. It also monitored the company's management and development and supervised key corporate decisions.

Cooperation between the Supervisory Board and the Management Board

The Supervisory Board was frequently and promptly updated by the Management Board about business performance across the four business units, as well as about the economic and regulatory situation. Furthermore, there was ongoing reporting on developments in the financial and liquidity situation, on the risk profile of Daldrup & Söhne AG, the Group and its subsidiaries, and on current market and corporate issues.

This took place during and outside Supervisory Board meetings through written and oral reports, during face-to-face meetings at the company's premises, via video conferences and by telephone. To this end, the Supervisory Board regularly received comprehensive information and documentation from the Management Board in accordance with statutory requirements. This primarily related to the company's net assets, financial position and earnings situation, current business developments, the order situation and drilling projects, significant strategic and business decisions, as well as expected developments. The Management Board has fully complied with its disclosure obligations. Plans, including any deviations from the established plans, were discussed by the Supervisory Board internally and with the Management Board.

The Supervisory Board and the Management Board collaborated in an atmosphere of mutual trust and transparency. The Supervisory Board was involved in decisions of fundamental importance. Opportunities and risks relating to business development were regularly discussed. The Chairman of the Supervisory Board was also in contact with the Management Board outside of meetings and was frequently updated about key developments that were material for the assessment of the given situation as well as for the operational and strategic management of the company and the Group.

Meetings and key topics

In fiscal year 2025, three ordinary Supervisory Board meetings took place on 18 February, 12 May and 1 November 2025. In accordance with Section 90(1) Nos. 1 to 4 of the German Stock Corporation Act (Aktiengesetz, AktG) discussions during the reporting period primarily focused on operational business performance, the company's economic and financial position, including the current liquidity situation, the organisational and personnel structures of the Daldrup Group, as well as prospects for strategic expansion of the business model.

Other key focus areas included investments, as well as the financing and development of projects. Moreover, the Supervisory Board discussed the project pipeline and the order situation across the individual business units. The Supervisory Board was also briefed on key projects and business activities, including developments in the fields of geothermal energy and specialised drilling. This also covered participation in tenders and the progress of ongoing projects. Other topics included medium- and long-term planning, dividend policy and capital market communications. Furthermore, selected legal and financial issues were discussed.

Another Supervisory Board meeting took place on 6 March 2026, which, in addition to the topics mentioned above, largely focused on preparations for the 2026 Annual General Meeting of Daldrup & Söhne AG.

Organisation of the Supervisory Board

During the reporting period, the Supervisory Board consisted of Josef Daldrup (Chairman of the Supervisory Board), Wolfgang Bosbach (Deputy Chairman), Dr Michaela Daldrup-Arnold, as well as Heinz Goßheger (until 31 March 2025) and Steffen Kanitz (since 1 April 2025).

Mr Großheger stepped down from the Supervisory Board on 31 March 2025. At the Company's request, Mr Kanitz was appointed to the Supervisory Board by the competent local court with effect from 1 April 2025 until the Annual General Meeting on 28 August 2025. The Annual General Meeting held on 28 August 2025 elected Mr Kanitz as a member of the Supervisory Board. The Supervisory Board would like to thank Mr Großheger for his many years of dedicated service on the Supervisory Board of Daldrup & Söhne AG.

For efficiency reasons, no committees were formed by the Supervisory Board. This also applies to an audit committee, the tasks of which remain unchanged from those of the overall supervisory board. There were no conflicts of interest among members of the Supervisory Board during the reporting period.

Audit of the Annual Financial Statement and the Consolidated Annual Financial Statement for Fiscal Year 2025

The Management Board drew up the annual accounts and status report as well as the consolidated financial statement and the consolidated group management report for the 2025 fiscal year for Daldrup & Söhne AG according to the provisions of the German Commercial Code (Handelsgesetzbuch, HGB) under a going concern premise. Grant Thornton AG, auditors, Düsseldorf, selected as auditor in the annual general meeting on 28 August 2025, audited the annual financial statement as well as the consolidated financial statement, the management report and the consolidated group management report for fiscal year 2025 of Daldrup & Söhne AG, with reference to bookkeeping, and confirmed each of them without reservation. The Supervisory Board satisfied itself of the independence of the auditor and of the persons acting on behalf of the auditor.

At the Supervisory Board meeting on 21 May 2026, the auditor reported on the progress of the audit as well as the key findings of the audit to date. He explained his findings to the Supervisory Board and was available to provide information and details. The Supervisory Board took note of the current status of the audit of the annual financial statements and the preliminary results of the audit reports.

The auditor's primary focus of the audit for fiscal year 2025 was on the existence and valuation of trade receivables, the existence and valuation of unfinished services, the occurrence and accuracy of sales revenues, the appropriateness of confirming the company's ability to continue as a going concern, as well as the completeness and accuracy of the consolidation entries. The auditor also examined the correctness of the individual financial statements of the companies included in the scope of consolidation, their reconciliation with the consolidated financial statements, as well as the completeness of the disclosures in the notes to the consolidated financial statements, the presentation of the business development and forecast information in the group management report.

The annual financial statements and the consolidated financial statements together with the respective management reports for fiscal year 2025 were available to all members of the Supervisory Board. The Supervisory Board acknowledged and approved the final audit reports and results.

In a circular resolution dated 28 May 2026, the Supervisory Board concurred with the results of the audit by the auditor after completing its own dutiful examination and declared that it had no objections. The Supervisory Board has thus adopted the annual financial statements of Daldrup & Söhne AG prepared by the Management Board

in accordance with Section 172 of the German Stock Corporation Act and unanimously approved the consolidated financial statements as at 31 December 2025.

The Management Board will submit a proposal to the Supervisory Board on the appropriation of the balance sheet profit, taking the necessary investment budget into account.

Dependent company report

According to the auditor, the dependent company report of 31 December 2025 produced by the Management Board includes the prescribed information according to Section 312(1) of the German Stock Corporation Act and concludes that Daldrup & Söhne AG was not disadvantaged by the legal transactions and measures described, and received reasonable consideration.

The auditors therefore issued the following confirmation without reservation: 'According to our dutiful audit and appraisal, we confirm that (1) the actual details in the report are correct, (2) the company did not overpay in the transactions listed in the report, (3) there is no reason to appraise the measures listed in the report significantly differently to how the Management Board did.' The Supervisory Board assessed the dependent company report provided by the Management Board and the audit report provided by the financial statement auditor. According to the final finding

of the Supervisory Board's own audit of the dependent company report, no objections were raised to the Management Board's declaration.

Thank you

We would like to thank the Management Board and all employees of Daldrup & Söhne AG and its affiliates for their massive commitment and for making fiscal year 2025 a great success.

Pullach i. Isartal, 28 May 2026



Josef Daldrup
Chairman of the Supervisory Board

DALDRUP & SÖHNE SHARE

Stock market performance in 2025

Global share markets performed very positively in fiscal year 2025, although the year was marked by increased volatility. Especially in the first half of the year, sweeping tariff announcements by the US government and geopolitical tensions in the Middle East led to noticeable uncertainty on the stock markets, which was reflected at times in sharp drops in share prices. As the year progressed, however, the market environment improved noticeably, particularly due to falling inflation and the resulting easing of monetary policy. At the same time, investors increasingly focused on tech stocks and contributed to the positive performance of the equity markets. As a result, despite ongoing geopolitical and economic uncertainties, the market performance remained clearly positive overall throughout the year. This was also reflected in the performance of global share indices, including the MSCI World, which rose by around 16.9 % in 2025.

The German share market proved to be exceptionally robust during the year under review. The DAX rose by 23 % and reached new all-time highs during the year. The SDAX also performed very well, rising by 25.3 %. The SCALE30, which includes Daldrup & Söhne, also recorded an increase of around 12 % as at 31 December 2025.

Here too, one driver of the positive performance on the equity markets was the improved monetary policy environment resulting from lower inflation. Furthermore, the valuations of European shares, which remained moderate by international standards, led to increased demand from international investors for European securities, including German shares. Additionally, sector-specific developments, particularly in the defence and energy sectors, contributed to the positive market performance.

Daldrup shares post a 110 % rise in share price and significantly outperform the indices

Daldrup shares performed very strongly during the reporting period, rising by 110 % as at 31 December 2025, thereby significantly outperforming the relevant benchmark indices. They opened at EUR 9.06* on 2 January 2025, initially fell slightly amid the prevailing market volatility, and reached their annual low of EUR 8.10 on 11 March**. The share price then rallied to finish 2025 with a Xetra closing price of EUR 19.25.

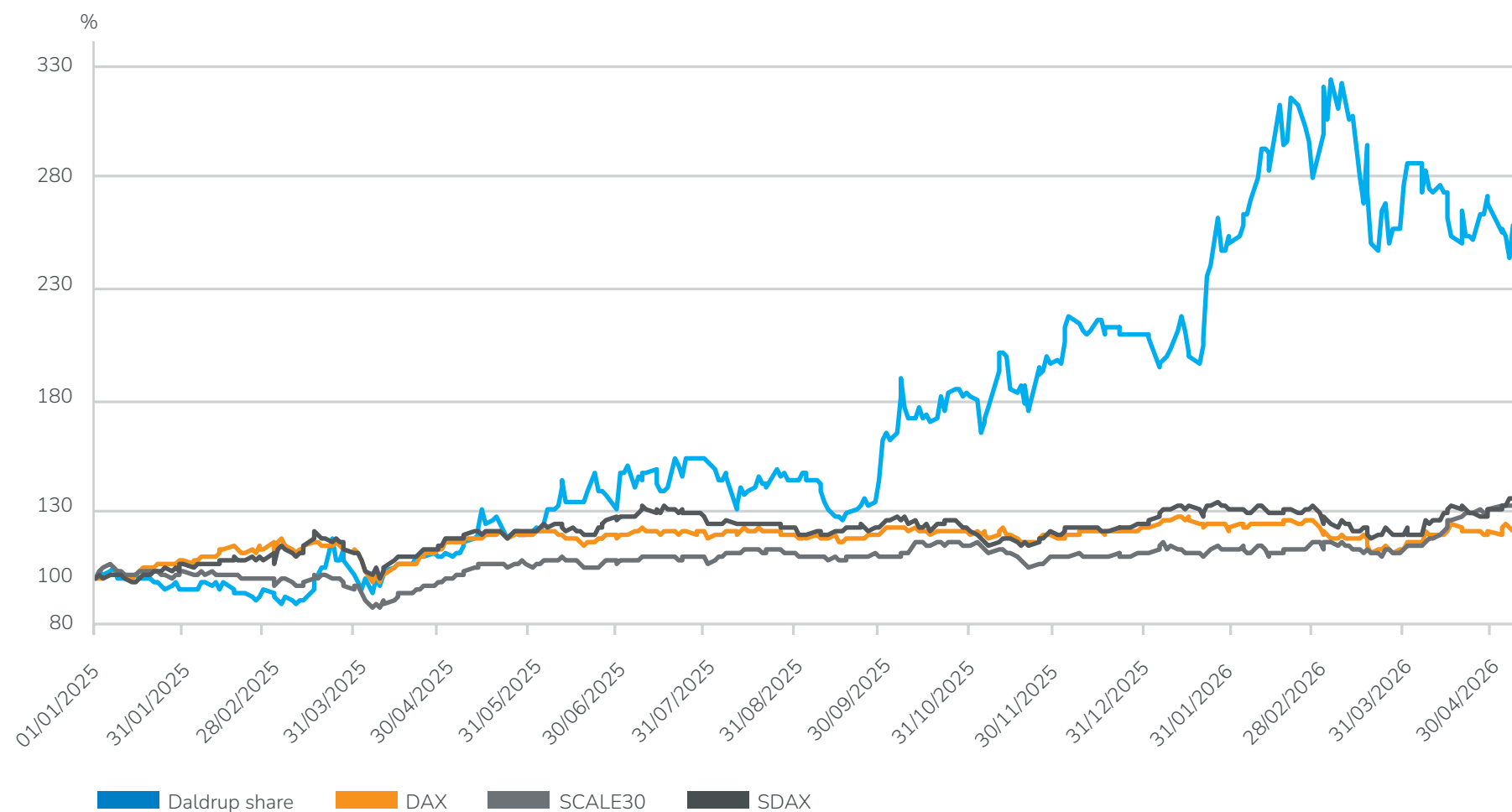
* Xetra opening price as at 2 January 2025

** Data source: Xetra closing prices in each case (unless otherwise stated)

The Daldrup share reached its highest Xetra closing price of the reporting year on 5 December 2025 at EUR 19.90. The significant rise in the share price in 2025 is primarily attributable to the company's positive operational performance. Following better-than-expected results for fiscal year 2024, the share price performance was further bolstered by announcements regarding new drilling contracts, including the largest project in the company's history to date. Furthermore, Daldrup is benefiting from a market environment that remains attractive. This is particularly true in the geothermal sector, which is gaining further momentum in light of improved regulatory conditions.

The average daily trading volume for Daldrup shares on Xetra, Tradegate and the regional stock exchanges was around 9,683 shares during the reporting period. The proportion of trading volume on Xetra was 36.8 %, whilst the proportion traded via Tradegate was 56.2 %. The remaining revenue was realised on the regional stock exchanges.

PERFORMANCE OF THE DALDRUP SHARE COMPARED WITH INDICES



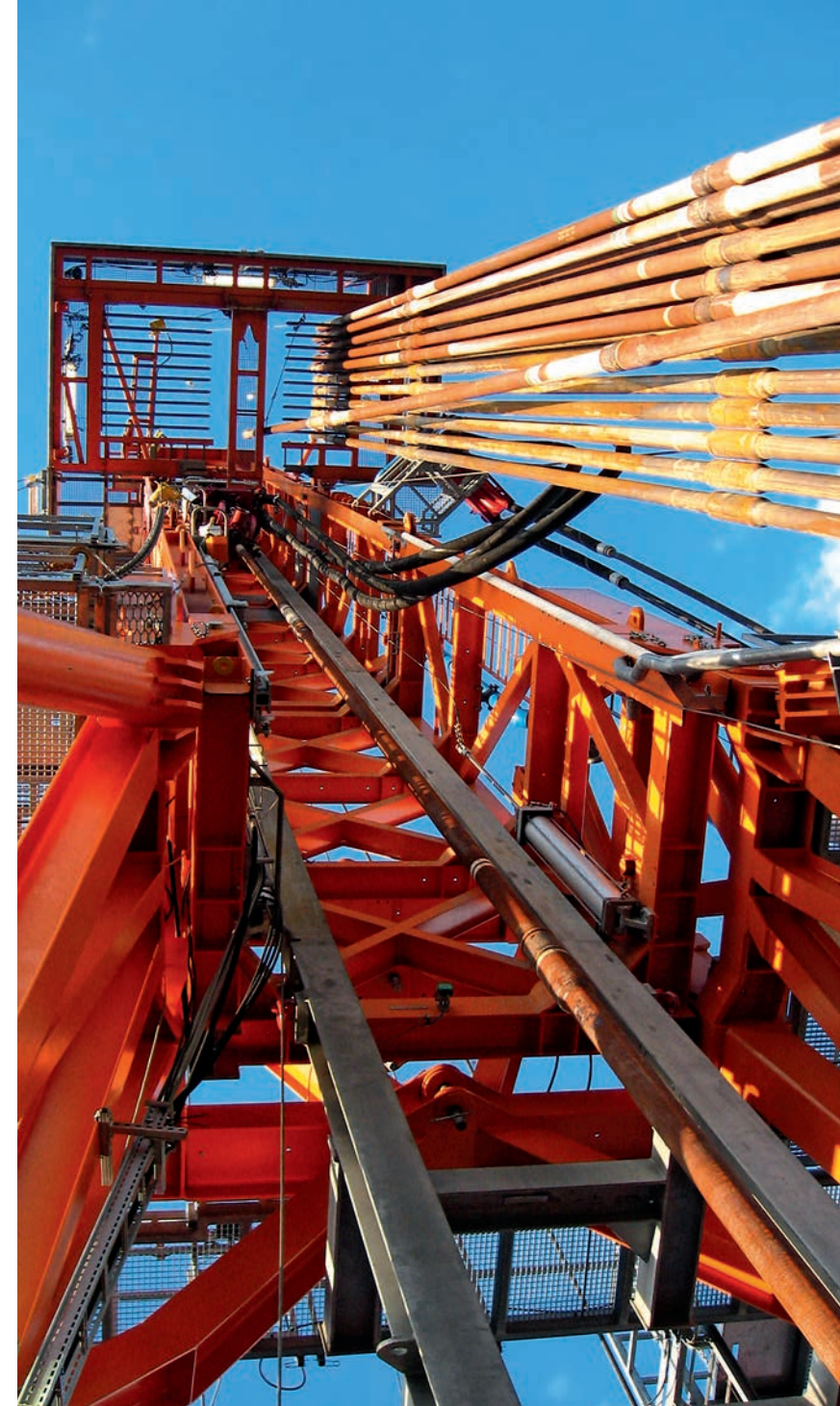
KEY FIGURES FOR THE DALDRUP SHARE

Exchange rate as at 31 Dec. in EUR	2025	2024	2023	2022	2021
Number of shares	5,989,500	5,989,500	5,989,500	5,989,500	5,989,500
Market capitalisation as at 31 Dec. in EUR	115,297,875	54,863,820	54,744,030	44,322,300	30,546,450
Highest price in EUR*	20.04	10.25	14.55	8.64	3.80
Lowest price in EUR*	8.02	6.90	6.72	4.32	1.95
Average daily share volume on Xetra (rounded)	3,560	6,100	10,600	8,000	13,900
Average daily trading volume on Xetra in EUR**	46,789	19,836	37,652	21,202	28,779
Earnings per share (EPS) in EUR	1.29	0.42	0.15	0.13	- 0.87

* Xetra prices

** Source: Bloomberg, Pareto Securities based on Xetra closing prices

As at 31 December 2025, the Daldrup family maintained majority control with 58.4 % of the shares. The free float was 41.6 %.



Annual General Meeting

The Annual General Meeting of Daldrup & Söhne AG took place on 28 August 2025 as a virtual event, with 59.2 % (previous year: 58.8 %) of the registered share capital represented. The shareholders approved the proposal by the Management Board and Supervisory Board to pay a dividend of EUR 0.15 per share for fiscal year 2024. Moreover, they approved all other items on the agenda put to the vote by a large majority. Further details can be found on the Daldrup & Söhne AG website at <https://daldrup.eu/de/ir/> under 'Investor Relations' in the 'Annual General Meeting' section.

Financial Communications

The Management Board of Daldrup & Söhne AG briefed investors, analysts and other interested capital market participants at numerous capital market conferences – including the Hamburg Investor Days, the Quirin Champions Conference, the German Fall Conference, the Munich Capital Market Conference and the Equity Forum – on the Group's

business model and business performance. Furthermore, the Management Board held numerous discussions with investors and analysts via telephone calls, Teams meetings and face-to-face meetings. In addition to explaining the business model, the key focus was on the performance and economic prospects of the Daldrup Group's individual business divisions. The spotlight was firmly on the geothermal energy sector, the development of the geothermal market in Germany and Europe, and the applicable regulatory framework.

Research

Research on Daldrup & Söhne AG is periodically produced by the investment firm Quirin Privatbank and SMC-Research. Following the announcement of the preliminary consolidated annual results at the end of March 2026, the valuations and price targets set by the analyst firms were EUR 28.80 and EUR 29.50 respectively. The analysts each rated the Daldrup share as a 'Buy'.



➤ GROUP MANAGEMENT REPORT

FOR FISCAL YEAR 2025



GROUP MANAGEMENT REPORT 18

A. Daldrup Group –	19
Business activity, group structure, market, competition and economic environment	
B. Results of Operations,	49
Net Assets and Financial Position	
C. Risk and Opportunities Report	54
D. Forecast Report	65
E. Information on treasury shares	70
according to Section 160(1)(2) of the German Stock Corporation Act	

A. DALDRUP GROUP – BUSINESS ACTIVITY, GROUP STRUCTURE, MARKET, COMPETITION AND ECONOMIC ENVIRONMENT

1. BUSINESS ACTIVITIES AND GROUP STRUCTURE

Daldrup & Söhne AG is a sought-after and leading provider of drilling and environmental services in Central Europe. The parent company of the Daldrup Group accounts for around 96 % of the Group's total output. The group is active in the business areas of renewable energies, drinking water, raw materials and exploration. The Daldrup Group is therefore active in areas that are of great importance for the sustainable use of natural resources and for future generations.

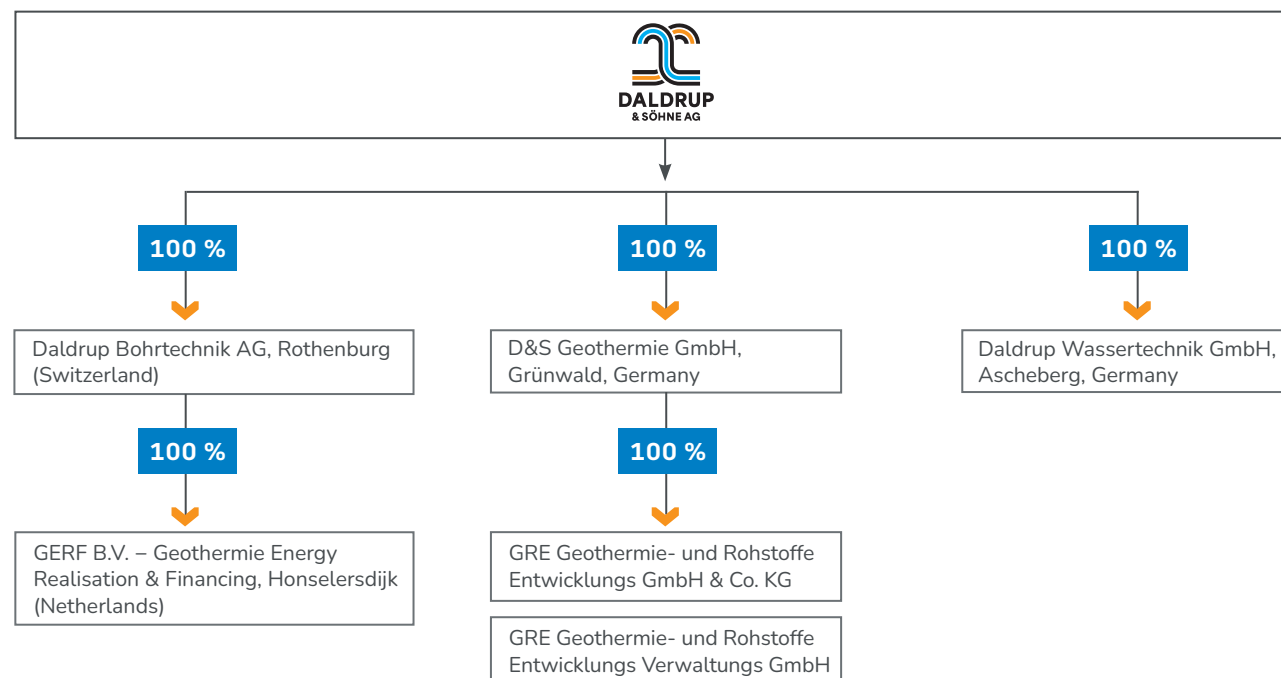
The business model is supported by the energy transition and efforts to secure energy supplies through legal and regulatory frameworks aimed at reducing greenhouse gas emissions and increasing the use of regionally available resources. Furthermore, the replacement of fossil primary energy sources is becoming increasingly important due to geopolitical developments and their impacts. This particularly includes the development of non-fossil alternatives for heat generation, such as geothermal energy. The drilling expertise in the Natural Resources & Exploration and EDS (Environment, Development, Service) segments is also experiencing growing demand from the public and private sectors, including for the rehabilitation of old mines, the exploration of raw materials and for infrastructure projects. Moreover, the state-driven search for suitable repositories for the disposal of nuclear waste in Germany is evolving into an interesting line of business.

Daldrup & Söhne AG already has extensive experience and notable references in this field, including from projects in Germany and Switzerland.

Daldrup & Söhne AG's market position as a drilling services company and geothermal energy specialist is consolidated in all business areas of the relevant target markets. The

Daldrup Group is still moving in a generally attractive market environment characterised by high levels of demand. As part of geothermal projects, the company provides essential services for the development and utilisation of geothermal energy in heating and electricity projects, utilising its drilling equipment, drilling crews, technical expertise in drilling and project management.

GROUP STRUCTURE AS AT 31 DECEMBER 2025



1.1 DALDRUP & SÖHNE AG BUSINESS UNITS

Daldrup & Söhne AG provides drilling and environmental services across four business units:



Geothermal Energy

EDS*

Raw Materials & Exploration

Water Procurement

*EDS: Environment, Development, Service

Its clients include industrial and utility companies, as well as local and central government bodies and private customers.

The four business units – Geothermal Energy, Raw Materials & Exploration, EDS (Environment, Development & Service) and Water Procurement – jointly form a broadly diversified portfolio of services. Thanks to its presence in various market segments, the company is largely able to offset differing demand cycles across the individual sectors.

To execute drilling projects across its various business units, Daldrup & Söhne AG has an extensive fleet of drilling rigs with equipment suitable for different drilling depths and applications. The following figure provides an overview of the company's drilling rigs.



DRILLING RIGS

Drilling rigs for medium-depth and deep drilling

1 Bentec 350-t-AC
for deep wells
up to 6,000 m

4 plants for drilling
depths of between
2,000 m and 4,000 m

12 rigs for
drilling depths
of 400 m to 2,000 m



Drilling rigs for near-surface drilling

37 drilling rigs
up to max.
400 m drilling depth
or for special wells



1.1.1 GEOTHERMAL ENERGY BUSINESS UNIT

Geothermal energy refers to the thermal energy stored in the Earth's crust and its technical exploitation, which can be used to provide heat, cooling or electrical energy.^{1, 2}

In its Geothermal Energy business unit, Daldrup & Söhne AG provides drilling services for near-surface geothermal energy (drilling depths of up to 400 metres), medium-depth geothermal energy (drilling depths of up to 1,500 metres)³ and deep geothermal energy (drilling depths of up to 6,000 metres). The drilling is carried out to harness the geothermal energy present underground for generation of electricity and / or heat.

Compared with other renewable energy sources, geothermal energy has so far only accounted for a small proportion of renewable energy in the energy mix. However, it is becoming increasingly important, particularly in the field of heat generation. This business unit therefore has a solid capacity utilisation trajectory in electricity and especially in heat generation, as well as very good growth prospects.

¹ <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbare-energien/geothermie>, retrieved on 15 March 2026

² <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009L0028>, retrieved on 14 March 2026

³ The definition of medium-depth geothermal energy is not conclusively established in the specialist literature; depending on the source, the cited depths range from around 400 metres to 2,500 metres.

Drilling technology and experience

Deep drilling to depths of up to 6,000 metres places high demands on advance planning, technical execution during the drilling phase and project coordination. Daldrup & Söhne AG has many years of experience in this field and has so far successfully completed well over 70 boreholes for deep geothermal projects. In total, Daldrup has drilled more than 10,000 boreholes in various geological formations throughout its history.

Regional Focus

Daldrup & Söhne AG focuses its activities in the Geothermal Energy business unit on regions with geothermal potential and corresponding market opportunities for electricity and heat in Europe. In addition to the DACH region (Germany, Austria, Switzerland), this includes the Benelux countries and, in the future, Italy.

The regional focus in Germany is still on the geological priority regions for geothermal energy acquisition: in the Bavarian Molasse basin around the city of Munich, at the Upper Rhine Rift and in the North German Plain. In fiscal year 2025, the company's activities in Europe continued to mainly focus on Germany and Switzerland.

Application areas for geothermal energy

The commercial potential of geothermal energy for heating and cooling is of particular economic interest to the housing sector – both in new-build projects and as part of energy-efficient building refurbishment – as well as for local and district heating supply. In addition, there are corresponding opportunities for various commercial applications of heat utilisation, for example in aquifer storage systems, greenhouses, fish farms or industrial drying processes.

Geothermal reservoirs with thermal water temperatures below 110 °C are particularly suitable for use in heat supply. Such deposits are usually developed by drilling to depths of between 1,000 metres and 3,000 metres.

In Germany, the legal framework for promoting the use of heat from renewable energy sources has been gradually expanded and improved in recent years. Neighbouring countries, such as the Netherlands or Switzerland, are also pursuing similar paths in order to decrease existing dependencies on fossil fuels and to reduce greenhouse gas emissions (GHG emissions).

Further development of measures to mitigate exploration risks

Amongst other things, the commercial implementation of deep geothermal energy projects is associated with the risk that a borehole may not reveal the expected geothermal properties in the subsurface ('exploration risk'). To hedge against exploration risks, Daldrup & Söhne AG, in collaboration with leading partners in the insurance industry, developed a risk hedging concept several years ago, which has since been successfully implemented on multiple occasions in the context of deep geothermal energy projects (**Alternative Risk Transfer, ART**). This financing solution, available exclusively to customers of Daldrup & Söhne AG, can strongly facilitate financing of geothermal energy projects with a high proportion of borrowed capital. Daldrup acts neither as a financier nor as an insurer in this context. The risks associated with the discovery of resources are borne by third parties.

With the **KfW Geothermal Energy Promotional Loan (programme number 572)**, which was introduced on 18 December 2025, a government-backed financing solution is now also available that combines KfW loans **with hedging for exploration risks** provided by Munich Re. Project developers are likely to make greater use of this hedging solution for exploration risks in the future.

With that in mind, the company anticipates that the ART concept will become less significant in the future.

The insurance solution for covering exploration risk under the KfW Geothermal Energy Promotional Loan (programme number 572) is explained in more detail later in this management report. Further information on the regulatory framework and funding instruments is set out in the chapter 'Climate policy and regulatory framework'.

The Geothermal Energy business unit's share of the Daldrup Group's total output amounted to 30.6 % in 2025 (previous year: 42.5 %). In 2025, around 30.2 % of this amount was attributable to deep geothermal projects, 38.2 % to medium-depth geothermal projects and approximately 31.6 % to near-surface geothermal drilling. The total output was generated in Germany, Switzerland and the Benelux countries.

1.1.2 RAW MATERIALS & EXPLORATION BUSINESS UNIT

In the Raw Materials & Exploration business unit, the drilling projects of Daldrup & Söhne AG serve exploratory purposes and to expose depositories of fossil fuels as well as mineral raw materials and ores. Additional drilling work is carried out to investigate and stabilise the ground, particularly in mining areas as well as in road, bridge, tunnel

and civil engineering projects. This also includes the search for suitable final disposal sites for radioactive waste.

The drilling carried out in this business unit generally takes place at depths of up to 2,000 metres, depending on the specific project requirements.

This business unit's share of total output generated by Daldrup & Söhne AG in fiscal year 2025 amounted to 50.2 % (previous year: 49.9 %). The total output in the Raw Materials and Exploration division was generated in Germany and Switzerland in 2025.

1.1.3 ENVIRONMENT, DEVELOPMENT, SERVICE BUSINESS UNIT

The Environment, Development, Service (EDS) business unit encompasses specialised environmental services. Amongst other things, this includes hydraulic decontamination of contaminated sites, the erection of gas extraction wells to extract landfill gas, the creation of groundwater quality measuring sites or the erection of water treatment plants.

Depending on the specific project requirements, the drilling operations carried out in this business unit are generally conducted at depths of up to 1,200 metres.

The Environment, Development, Service (EDS) business unit accounted for 14.7 % (previous year: 6.5 %) of Daldrup & Söhne AG's total output in fiscal year 2025. The total output for this business unit was generated in Germany and Switzerland during the reporting year.

1.1.4 WATER PROCUREMENT BUSINESS UNIT

The Water Procurement business unit represents the entrepreneurial origins of Daldrup & Söhne AG. It includes drilling wells to obtain drinking water, process water, thermal and mineral water, boiler feedwater and cooling water as well as thermal brine. In addition to the actual drilling work, water procurement requires sector-specific expertise. This includes stainless steel pipelines for transporting drinking and thermal water, professional development of well systems as well as installation of modern filter and pump equipment.

Depending on the specific project requirements, the well drilling operations carried out in this business unit are generally conducted at depths of up to 600 metres.

This business unit's share of total output generated by Daldrup & Söhne AG in fiscal year 2025 amounted to 4.5 % (previous year: 1.1 %). The total output in the Water Procurement business unit was achieved in Germany during the reporting year.

Increase in the number of employees

The experience derived from the four business units enhances and ensures refinement of the company's drilling expertise on a daily basis. However, Daldrup & Söhne AG's future growth trajectory also depends on the availability of sufficient suitably qualified employees. Against this background, the company is implementing targeted measures to recruit qualified specialists, including from outside Germany, and is seeking to attract qualified staff from across Europe.

By providing an attractive work environment and implementing appropriate staff retention measures, the company strives to attract qualified specialists, particularly key employees, and retain them in the long term. Overall, the situation on the skilled labour market has eased somewhat, but a latent shortage remains likely for the foreseeable future. In 2025, Daldrup & Söhne AG employed an average of 157 employees (previous year: 152). Depending on the project, whenever additional employees may be needed, they are made available to Daldrup & Söhne AG and its subsidiaries flexibly and upon request by external personnel service providers.



Number of employees
increased to

157

2. MARKET, COMPETITION AND CUSTOMER RELATIONSHIPS

2.1 GEOTHERMAL ENERGY MARKET ENVIRONMENT

Geothermal energy as renewable energy

Geothermal energy can be used to provide heating, cooling and electricity.⁴ The temperature underground increases with greater drilling depth. This 'geothermal gradient' is 3 °C per 100 metres in Germany on average. Geologists estimate that temperatures in the Earth's core reach 5,000 °C to 7,000 °C. This heat stored in the Earth is inexhaustible by human standards, as a constant stream of energy rises to the surface from our planet's core, a process known as the 'terrestrial heat flow'. As a result, geothermal energy is a regenerative energy source.⁵

Unlike weather-dependent renewable energies such as wind or solar power, geothermal energy can be supplied continuously and thus contribute to a stable energy supply.⁶

Types of geothermal energy

Depending on geological conditions and drilling depth, a distinction is made between **near-surface geothermal energy**, **medium-depth geothermal energy** and **deep geothermal energy**.

➤ **Near-surface geothermal energy** utilises the subsurface down to depths of around 400 metres and temperatures of up to around 25 °C to supply heating and cooling to buildings, technical installations or infrastructure facilities. The energy is extracted from the upper layers of earth and rock or from groundwater and is generally utilised in conjunction with heat pump systems.

➤ **Medium-depth geothermal energy** taps into geothermal resources at depths of between 400 metres and 1,500 metres, with temperatures ranging from 20 °C to 60 °C. This range is of particular interest for energy storage. Temperatures of roughly 60 °C, i.e. from depths of 1,000 metres to 1,500 metres, make it feasible to use geothermal heat even without increasing the temperature (using heat pumps, heat transformation), especially for local and district heating supply.

➤ **Deep geothermal energy** utilises heat from depths generally exceeding 1,500 metres. Just like with medium-depth geothermal energy, a thermal water cycle is generally realised using a geothermal doublet, consisting of a production well and an injection well. Hot thermal water is pumped from underground to the surface via the production well, where the thermal energy it contains is exploited. The cooled water is then subsequently reinjected into the original rock layer via an injection well.

In addition to heat, electricity can be produced by a thermal power plant, which may operate in parallel, with deep geothermal energy from a temperature level of approx. 120 °C. Unlike weather-dependent renewable energies such as wind and solar power, geothermal energy can be supplied continuously and is therefore capable of providing base load power.⁷

The following figure on page 26 illustrates the various applications of geothermal energy depending on drilling depth and temperature level. Daldrup & Söhne AG is active in these application areas, with the exception of geothermal collectors, and has relevant reference projects.

The development of geothermal resources requires specialised drilling and exploration services and thus forms a strong foundation for the use of geothermal energy in heat supply.

⁴ German Federal Environment Agency, Geothermal Energy, <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbare-energien/geothermie#oberflachen-nahe-geothermie>, retrieved on 15 March 2026

⁵ Federal Ministry for Economic Affairs and Energy, Geothermal Energy: Heat from Deep Within: <https://www.energiewechsel.de/KAENEFF/Redaktion/DE/Standardartikel/geothermie.html>, retrieved on 15 March 2026

⁶ Fraunhofer IEG: Geothermal Energy Roadmap, [PDF], <https://publica.fraunhofer.de/entities/publication/dc4a0733-2c1e-45ea-9600-0056ec82a0c0>, retrieved on 15 March 2026

⁷ Fraunhofer IEG: Geothermal Energy Roadmap, [PDF], <https://publica.fraunhofer.de/entities/publication/dc4a0733-2c1e-45ea-9600-0056ec82a0c0>, retrieved on 15 March 2026

THE WIDE VARIETY OF GEOTHERMAL ENERGY

for heating and cooling, thermal storage and electricity generation

Near-surface geothermal energy

Geothermal heat pumps | 2 m – 400 m |
for private households + neighbourhoods

1 Horizontal filter wells

System: open, + heat pump, + well pump
Building type: Neighbourhoods; commercial areas, industrial and agricultural sites, municipalities, cities
Application: Heating/cooling; cold district heating

2 Collector system

System: closed, + heat pump
Building type: Homestead
Application: Heating/cooling

3 Well system

System: open, + heat pump, + well pump
Building type: Homestead
Application: Heating/cooling

4 Level geothermal energy probe

System: closed, + heat pump
Building type: Homestead
Application: Heating/cooling

5 Probe field, energy piles

System: closed, + heat pump
Building type: Neighbourhoods; office blocks, industrial parks, leisure facilities, residential blocks
Application: Heating + cooling

Near-surface geothermal energy

Geothermal heat pumps
2 m – 400 m
for private households + neighbourhoods

Medium-depth geothermal energy

possibly with high-capacity heat pumps
400 m – approx. 2,500 m
for key account customers + local authorities

Deep geothermal energy

without heat pump
at least 2,500 m
for key account customers + local authorities

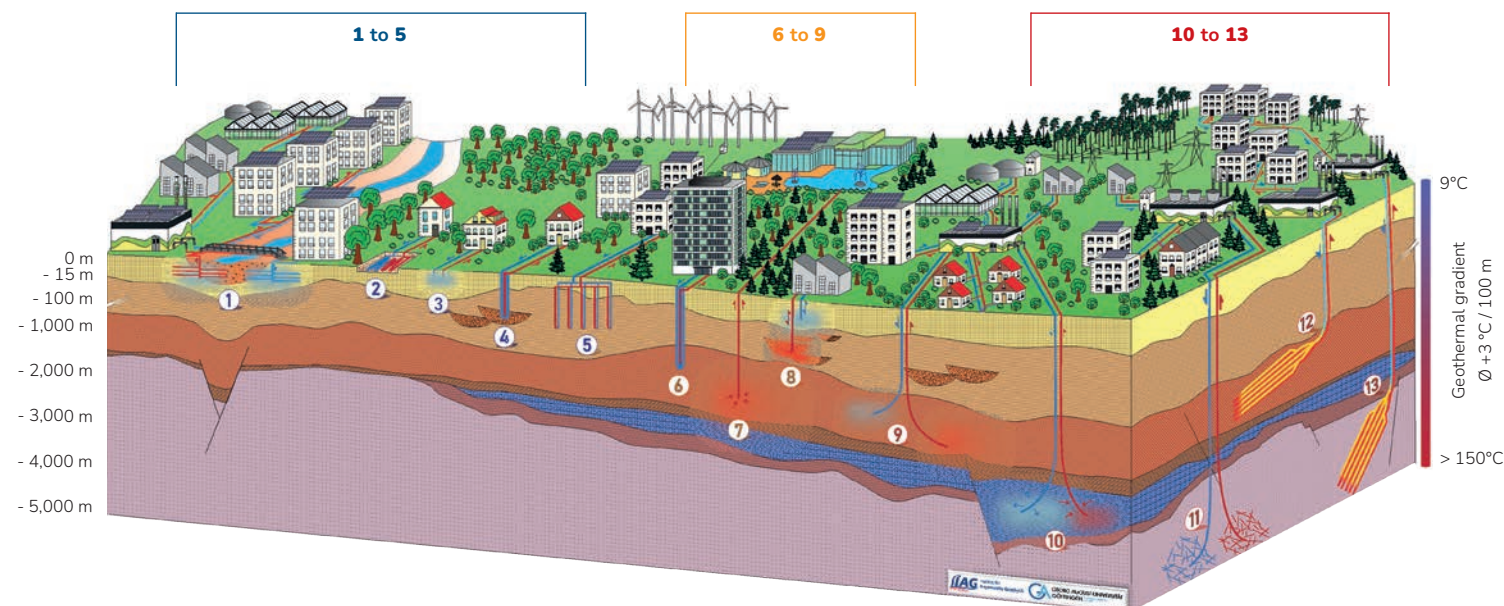


Diagram based on: Moeck, I. (2025): Range of geothermal technologies; LIAG – Leibniz Institute for Applied Geophysics / GeotIS, Hannover.
In: Press release 'Geothermal Energy Booster: First nationwide standardised map shows the potential for geothermal energy use in Germany', 12 August 2025

Medium-depth geothermal energy

possibly with high-capacity heat pumps | 400 m – approx. 2,500 m
for key account customers + local authorities

6 Deep geothermal energy probes

System: closed, + heat pump
Building type: Commercial, office blocks
Application: Heating + cooling

7 Thermal water wells

System: open, + submersible pump
Building type: Spas, clinics, baths
Application: Heating

8 Thermal storage systems (ATES), 'Mini' type two-well hydrothermal well

System: open, + heat pump, + well pump
Building type: Commercial, neighbourhoods
Application: Heating + cooling + storage

9 'Midi' type two-well hydrothermal well

System: open, + heat pump, + submersible pump
Building type: Cities, municipalities
Application: District heating

Deep geothermal energy

without heat pump | from around 2,500 m
for key account customers + local authorities

10 'Maxi' type two-well hydrothermal well

System: open, + submersible pump
Building type: Cities, municipalities
Application: District heating, electricity

11 Petrothermal two-well hydrothermal well (research)

System: open, + submersible pump
Building type: Cities, municipalities
Application: District heating, electricity

12 Closed-Loop Technology Midi (Pilot Project)

System: closed, without pump operation
Building type: Cities, municipalities
Application: District heating, electricity

13 Closed-Loop Technology Maxi (Pilot Project)

System: closed, without pump operation
Building type: Cities, municipalities
Application: Electricity, district heating



Gefördert durch:



aufgrund eines Beschlusses
des Deutschen Bundestages

Development of the geothermal market in Germany and Switzerland

In Germany and Switzerland, where Daldrup & Söhne AG currently focuses its business activities, the geothermal markets exhibit varying degrees of maturity and competitive structures depending on geothermal depth and extraction system.

Near-surface geothermal energy is a mature market and is primarily used in the building sector. In Germany and Switzerland, this technology has achieved a high level of market penetration.

Medium-depth geothermal energy represents a growing market segment. The necessary expertise is increasingly being developed by potential clients such as local authorities and industry, with the support of specialist engineering firms and a small number of drilling companies.

Deep geothermal energy remains in a market development phase. Alongside established hydrothermal systems, new technologies such as so-called closed-loop systems are also being developed.^{8,9}

The first European project to utilise this technology was implemented in Geretsried, Bavaria, and has been feeding electricity into the public grid since the end of 2025.¹⁰

Advantages of geothermal energy: Geothermal energy has several advantages over other energy sources.

The key advantages of geothermal energy include its continuous availability (base-load capability), the long-term predictability of its cost structure, and its importance for a climate-neutral heat supply.

Geothermal energy thus enables

- the environmentally friendly, low-carbon production of electricity and heat as part of a high-volume base load
- fixed and variable plant costs that are easy to calculate over longer periods
- decentralised energy supply in close proximity to the point of consumption
- development that is relatively gentle on land and the landscape, as well as environmentally sustainable; and
- independence from (imported) fossil fuels as well as the associated risks of price and supply fluctuations, thanks to local availability.

Furthermore, there are also advantages compared to other renewable energy sources. For example, the use of biomass – particularly wood – generates emissions and its expansion is constrained by limited sustainable raw material potential or competing land uses. By contrast, geothermal energy can provide heat continuously and independently of weather conditions. Compared with solar

thermal heating, geothermal energy is also particularly well-suited to meeting the base load for heating, especially in local and district heating networks.

⁸ Closed-loop systems are geothermal systems with a closed circuit, in which a fluid circulates underground through a pipe network and absorbs heat from the surrounding rock without any thermal water being extracted (cf. ThinkGeoenergy: Enhanced/Engineered Geothermal Systems (EGS), <https://www.think-geoenergy.com/geothermal/advanced-geothermal-technologies/>, retrieved on 15 March 2026 Advanced Geothermal Systems / Closed-Loop Geothermal).

⁹ ThinkGeoEnergy: Advanced Geothermal Technologies; <https://www.thinkgeoenergy.com/geothermal/advanced-geothermal-technologies/>, retrieved on 15 March 2026

¹⁰ Eavor: Eavor Technologies Achieves First Electricity Production at Geretsried Site, <https://eavor.com/press-releases/eavor-technologies-achieves-first-electricity-production-at-geretsried-site/>, retrieved on 15 March 2026

The importance of geothermal energy in the energy sector: Expansion and use of geothermal energy

Overall, geothermal energy in Europe is a niche market with good prospects. In Germany, according to information from the German Geothermal Association (BVG), deep geothermal power plants produced 46 MW in early 2026. As of February 2026, a total of 45 deep geothermal power stations, predominantly hydrothermal, were in operation. Along with their electrical output, these plants produce a thermal output of 408 MW. The average depth is about 2,500 metres.¹¹

The potential of geothermal energy for energy supply

Whilst deep geothermal energy still accounts for a relatively small share of renewable energy generation in Germany, near-surface geothermal energy has already achieved greater market penetration. The BVG estimates that over 480,000 plants (e.g. in the form of geothermal energy probes or collectors in connection with heat pumps) are in operation, providing around 4,950 MW.¹²

The usable energy reserves, which can be tapped using today's deep drilling technology, are estimated to be around 30 times greater than all fossil reserves (coal, gas and oil) worldwide. Overall, geothermal energy use has significant potential which could in theory cover Germany's energy needs many times over.¹³

For now, electricity generation using deep geothermal energy still incurs higher costs compared with other renewable technologies. The production of geothermal heat, by contrast, is already economically attractive for local and district heating supply and for heating building complexes or industrial districts on a broad scale.

The geothermal heat extracted can be used to provide reliable heating for residential buildings, district heating supply networks, public buildings or process heat for industry and commerce over more than 8,000 hours – and thus around 90 % of the annual hours. Geothermal energy can therefore make an important contribution to a continuous and predictable energy supply.

According to a study by the Fraunhofer Institute and the Helmholtz Association, the BVG assumes that deep geothermal energy could meet more than one quarter of the annual German heat requirement (over 300 TWh) long-term.¹⁴

The various applications of geothermal energy, at different temperature levels, are shown in the figure below. Depending on the utilisation, the initial temperature can be increased or cooled with heat pumps.

Deep geothermal Energy can cover over **1/4** of Germany's heating demand¹⁴



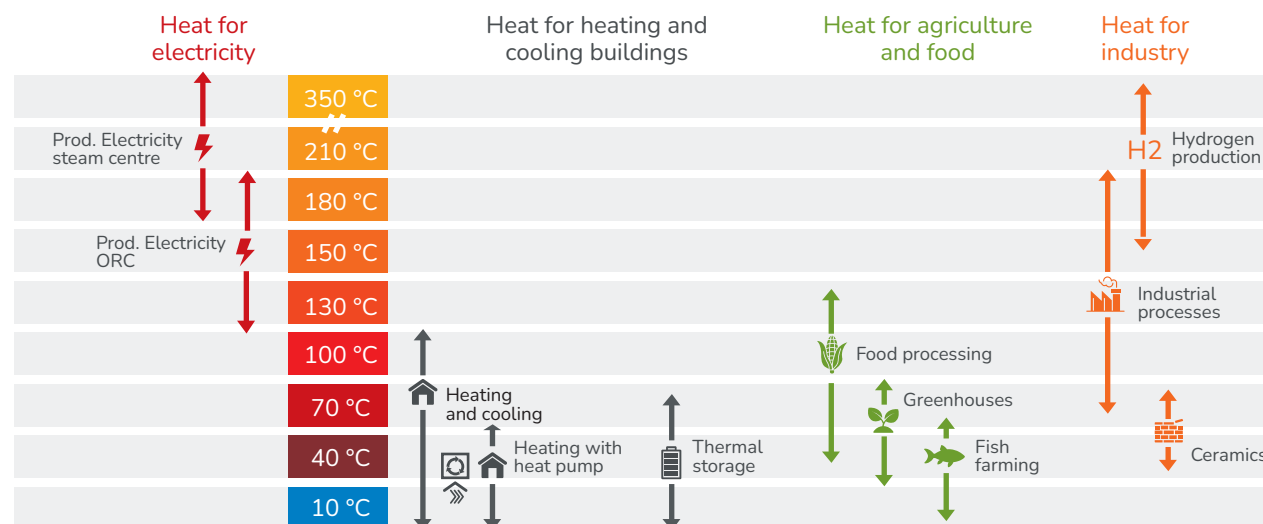
¹¹ Bundesverband Geothermie (German Geothermal Association): PDF Deep geothermal energy in Germany 2026, <https://www.geothermie.de/aktuelles/geothermie-in-zahlen>, retrieved on 14 March 2026

¹² Bundesverband Geothermie (German Geothermal Association): Geothermal Energy by the Numbers, <https://www.geothermie.de/aktuelles/geothermie-in-zahlen>, retrieved on 14 March 2026

¹³ Bundesverband Geothermie (German Geothermal Association): Getting started with geothermal energy, the benefits of geothermal energy, <https://www.geothermie.de/geothermie/einstieg-in-die-geothermie>, retrieved on 14 March 2026

¹⁴ Fraunhofer Society and Helmholtz Association: Roadmap Deep geothermal energy for Germany: recommendations for policy-makers, industry and academia to achieve a successful heat transition, <https://publica.fraunhofer.de/entities/publication/dc4a0733-2c1e-45ea-9600-0056ec82a0c0>, page 8, February 2022

GEOTHERMAL ENERGY AS A FUNCTION OF TEMPERATURE



Source: https://geothermie-schweiz.ch/wp_live/wp-content/uploads/2024/05/Geothermie-Schweiz_Jahresbericht_2023_DE_web.pdf

From an economic point of view, pure heating projects are largely local and / or district heating projects. The district and local heating systems, which already exist in many places, lie mostly in the hands of municipalities or large infrastructure companies. Against this background, there is considerable potential for increased use of geothermal energy for heating. Studies by German research institutions suggest that, in the long term, geothermal energy could meet up to around 25 % of Germany's heating demand.¹⁵

¹⁵ Fraunhofer Society and Helmholtz Association: Roadmap Deep geothermal energy for Germany, https://www.geothermie.de/file-admin/user_upload/Verband/Politische_Position/Roadmap_Tiefe_Geothermie_in_Deutschland_FhG_HGF_02022022.pdf

Geothermal energy as a building block of the heating transition

The transformation of the heating sector (heating transition) by switching to renewable energy sources is crucial for the success of the energy transition. This is because the proportion of heat and cold in overall energy consumption in Germany in 2023 was 49.7 % (more recent calculations are not available) whilst gross electricity usage only accounted for 23.9 %.¹⁶

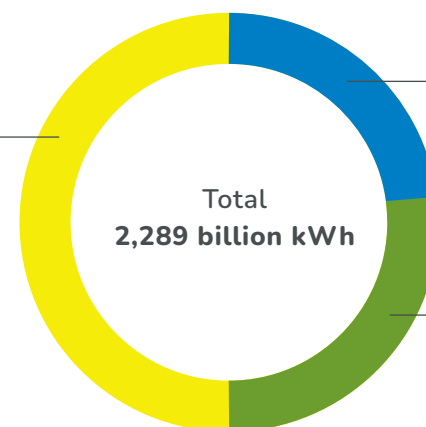
Therefore, around twice as much energy is required for heat generation as for electricity. This consumption structure is predominant in Central Europe.

The decarbonisation of heating and cooling supply is thus a key component of the energy transition. In 2025, the share of renewable energy in heating and cooling provision in Germany was just 19 % (previous year: 18.2 %), remaining well below the share of renewable energy in total gross final energy consumption of around 23.8 % (previous year: 22.5 %).¹⁷ At the same time, the heating and cooling sector accounts for roughly half the final energy consumption, making it the largest energy-consuming sector in Germany.

ENERGY USE IN GERMANY IN 2023 BY ELECTRICITY, HEATING AND TRANSPORTATION

The electricity consumption for heating, cooling and traffic is included in the gross electricity consumption.

End user energy consumption
Heat and Cold (without electricity):
1,094.4 billion kWh
49.7 %



Gross energy consumption
525.5 billion kWh
23.9 %

Final energy consumption in
transport (without electricity
and int. air traffic)
579.9 billion kWh
26.4 %

Sources: German Federal Environment Agency,
Arbeitsgemeinschaft Energiebilanzen e.V., as at 2/2024

¹⁶ Renewable Energy Agency: Energy use in Germany in 2023 by electricity, heating and transportation, <https://www.unendlich-viel-energie.de/mediathek/grafiken/energieverbrauch-in-deutschland-im-jahr-2023-nach-strom-waerme-und-verkehr>, retrieved on 13 March 2026

¹⁷ German Federal Environment Agency: Renewable Energy by the Numbers, <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbare-energien/erneuerbare-energien-in-zahlen#ueberblick-beitrag-erneuerbare>

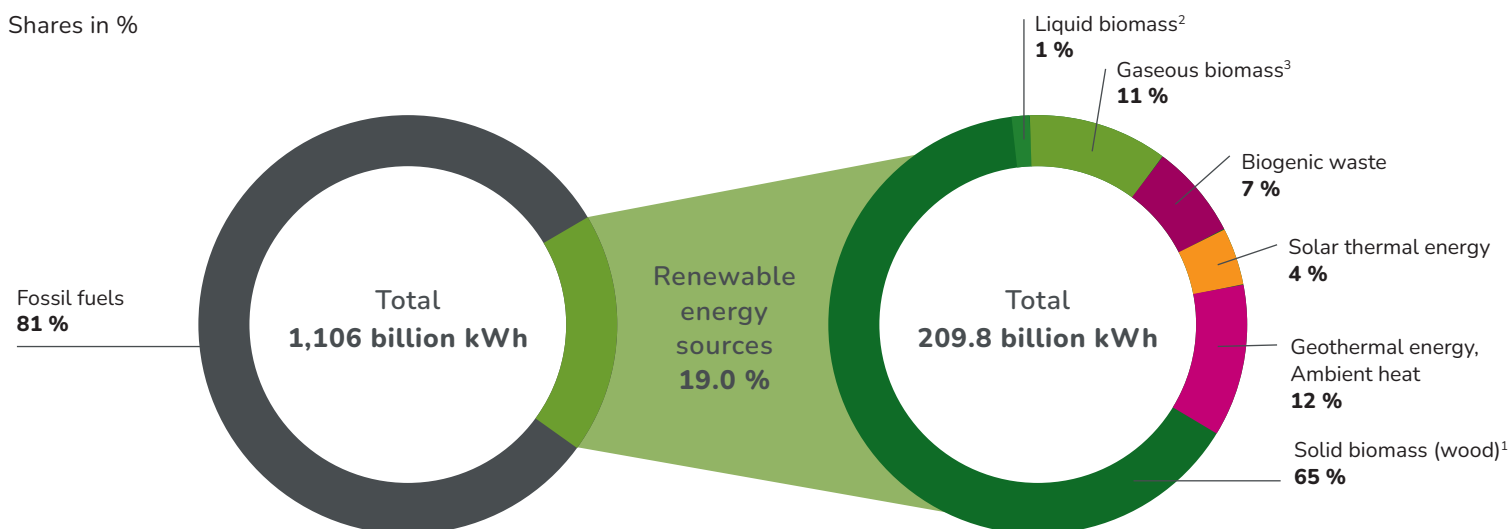
Given this fact, technologies for renewable heat supply, as well as the geothermal exploration and drilling services required for it, are becoming increasingly important. Fortunately, this is a market segment in which Daldrup & Söhne AG operates with its specialised drilling services.

The breakdown of renewable energy sources in the heating and cooling sector is presented in the figure 'Final energy consumption of renewable energy for heating and cooling in 2025'.¹⁸ Whilst biomass currently accounts for the largest share of renewable heat supply, the use of ambient heat and geothermal energy is also becoming increasingly important.

¹⁸ German Federal Environment Agency: Heat consumption from renewable energy sources in 2025, <https://www.umweltbundesamt.de/bild/waermeverbrauch-aus-erneuerbaren-energien-im-jahr>, retrieved on 18 March 2026

END USER ENERGY CONSUMPTION OF RENEWABLE ENERGY SOURCES FOR HEATING AND COOLING IN 2025

Shares in %



¹ including sewage sludge and charcoal

² including biodiesel for agriculture, forestry, construction and the military

³ Biogas, biomethane, sewage gas, landfill gas

Source: German Federal Environment Agency (Umweltbundesamt, UBA) based on AGEE Stats (as at 02/2026)

Heat supply from ambient heat and geothermal energy continued to rise in 2025, reaching 25.4 billion kWh – a significantly higher level than in the previous year (21.7 billion kWh). Overall, around 12 % of renewable heat is now generated from geothermal energy and ambient heat, whereas their share was still below 4 % in 2000.¹⁹ A study by the Leibniz Institute for Applied Geophysics (LIAG) estimates that, with increased exploration and development of new sites, the amount of energy supplied from deep geothermal energy in Germany could be increased to around 56 TWh²⁰ – equivalent to 56 billion kWh – by 2040. Overall, the thermal potential from deep geothermal energy in Germany is estimated at well over 300 TWh per year.²¹

By contrast, electricity generation from geothermal energy has so far only played a minor role in Germany. In 2023, around 0.2 billion kWh of electricity was generated from geothermal energy, which corresponds to approximately 0.1 % of the total electricity generated from renewable sources.²²

In the electricity sector as a whole, however, the share of renewable energy has grown much more rapidly: After almost a quarter of a century of support under the Renewable Energy Sources Act (Erneuerbare Energien-Gesetz, EEG), their share of electricity consumption reached 58.8 % in 2025 (previous year: 58.5 %), according to the Federal Network Agency.²³

CLIMATE POLICY AND REGULATORY ENVIRONMENT

Climate policy objectives in Germany and the EU

Germany and the European Union have committed to ambitious climate targets. As a contribution to the implementation of the Paris Agreement, which aims to limit global warming to well below 2 °C compared with pre-industrial levels, the German government presented amended climate protection requirements in 2024 and confirmed the goal of greenhouse gas neutrality by 2045. As early as by 2030, greenhouse gas emissions should decrease by 65 % compared to 1990.²⁴ At the EU level, the European Climate Law enshrined the goal of achieving a carbon-neutral EU by 2050 within the framework of the Green Deal in law.²⁵

The Climate Protection Act in the building sector primarily aims to reduce greenhouse gas emissions from fossil heat supply by improving funding in the area of energy efficiency and renewable heating. Space heating and hot water supply in residential buildings, which account for over two-thirds of energy consumption, offer particularly significant potential for reducing energy use.²⁶

The expansion of geothermal heating networks represents one option, which can be implemented more quickly than the energy renovation of old buildings and the achievement of new buildings, whereby lower heating use is achieved by greater energy efficiency. Daldrup & Söhne AG

is regularly involved in such heating projects with its drilling services, for example for the municipal utilities of Munich, Schwerin and Neuruppin.

¹⁹ German Federal Environment Agency: Renewable Energy by the Numbers, <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbareenergien/erneuerbare-energien-in-zahlen#berblick>, retrieved on 18 March 2026

²⁰ LIAG study 'Meta-study on the national geothermal strategy' dated 30 May 2022, p. 19; www.geotis.de/homepage/sitecontent/info/publication_data/public_relations/public_relations_data/Metastudie_Geothermie.pdf

²¹ ROADMAP FOR DEEP GEOTHERMAL ENERGY IN GERMANY, Bracke, R.; Huenges, E; February 2022, <https://publica.fraunhofer.de/entities/publication/dc4a0733-2c1e-45ea-9600-0056ec82a0c0>, p. 25

²² Federal Environment Agency, Renewable Energy by the Numbers, <https://www.umweltbundesamt.de/themen/klima-energie/erneuerbare-energien/erneuerbare-energien-in-zahlen#berblick>, retrieved on 18 March 2026

²³ Federal Network Agency: Federal Network Agency publishes data on the electricity market in 2025, <https://www.bundesnetzagentur.de/1087156?utm>, retrieved on 18 March 2026

²⁴ The Federal Government: Climate Protection Act and Climate Protection Programme / A Plan for the Climate, <https://www.bundesregierung.de/breg-de/service/archiv-bundesregierung/klimaschutzgesetz-2197410>, retrieved on 13 March 2026

²⁵ European Council of the European Union: A European Green Deal, <https://www.consilium.europa.eu/de/policies/green-deal/>, retrieved on 16 March 2026

²⁶ European Commission: DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the energy performance of buildings (as amended), <https://eur-lex.europa.eu/legal-content/DE/TXT/?uri=CELEX:52021PC0802>, retrieved on 13 March 2026

German Federal Environment Agency: Greenhouse gas projections for Germany for 2025, p. 179, [https://www.umweltbundesamt.de/system/files/medien/11850/publikationen/projektionsbericht_2025.pdf#:~:text=For%20total%20GHG%20emissions%20\(excluding%20land%20use%2C,%25%20\(MWMS\)%20by%202050%20compared%20to%201990](https://www.umweltbundesamt.de/system/files/medien/11850/publikationen/projektionsbericht_2025.pdf#:~:text=For%20total%20GHG%20emissions%20(excluding%20land%20use%2C,%25%20(MWMS)%20by%202050%20compared%20to%201990), retrieved on 13 March 2026

AN IMPROVED REGULATORY FRAMEWORK STRENGTHENS THE GEOTHERMAL MARKET

Regulatory framework up to 2024

In the wake of the energy transition and the associated heating transition, numerous support programmes and regulatory measures have been introduced in recent years. The programme of measures in the Climate Protection Programme 2030 creates incentives to reduce greenhouse gas emissions and to increase the use of renewable energy. The individual measures are being gradually implemented through legislation and support programmes that are specifically geared towards the buildings sector.

Key instruments include the **Renewable Energy Sources Act** and **support programmes for the decarbonisation of heat supply**. This particularly includes the German Building Energy Act (Gebäudeenergiegesetz, GEG), the Federal Promotion of Efficient Buildings (Bundesförderung für effiziente Gebäude, BEG) and the Federal Funding for Efficient Heating Networks (Bundesförderung für effiziente Wärmenetze, BEW).

Whilst the German Building Energy Act sets the regulatory framework for renewable heat in the building sector, the Federal Promotion of Efficient Buildings and Federal Fund for Efficient Heating Networks support investment in energy-efficient buildings and in climate-neutral heating networks, in which geothermal heat sources can also be utilised.

The expansion of renewable energies is also being supported at European level. For example, the Renewable Energy Directive II of the European Union (RED II) aims to increase the share of renewable energy and to promote the expansion of renewable heat. Research funding also plays an important part in the deep geothermal energy sector. For additional information on this topic, please refer to chapter 5 'Research and Development'.

Another key driver for the expansion of renewable heat sources in Germany is the **Act on Heat Planning and the Decarbonisation of Heating Networks (Heat Planning Act – Wärmeplanungsgesetz, WPG)**, which was enforced on 1 January 2024. It requires cities and local authorities to submit strategic plans for the transformation of their heat supply within various timeframes.

As part of this local heat planning, geothermal energy is becoming increasingly important as a base-load capable and locally available energy source. The resulting planning processes are already leading to rising demand for geological surveys and drilling services in connection with geothermal projects.

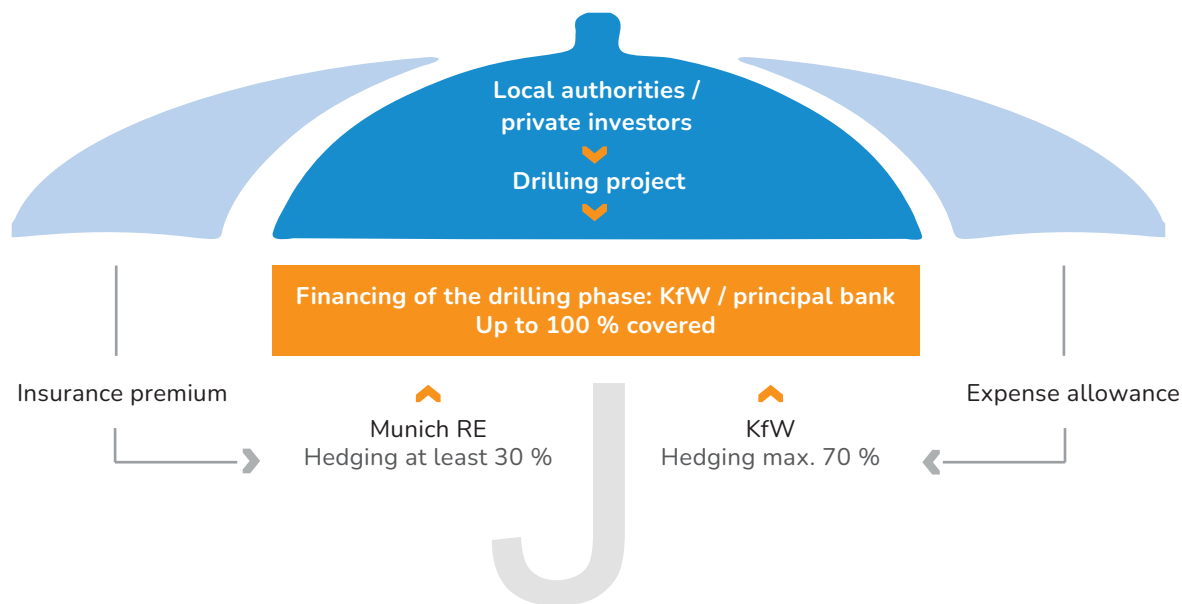
New, additional regulatory stimulus in reporting year 2025

In reporting year 2025, several regulatory and financial instruments were introduced in Germany that improve the parameters for investment in geothermal energy projects. For the Federal Funding for Efficient Heating Networks, established in 2022, the 2025 draft federal budget allocated approximately EUR 1 billion – a significant increase compared with previous years. In order to accelerate the expansion of carbon-neutral heating networks, the German Bundestag decided in November 2025 to further increase funding in the federal budget for 2026 to around EUR 1.4 billion. Currently, approximately EUR 5 billion is earmarked in the long-term financial framework up to 2030.

On 4 December 2025, the German Bundestag also passed the Geothermal Energy Acceleration Act. The Act is intended to simplify and speed up approval procedures for geothermal energy projects. Amongst other things, these measures include fixed deadlines for public authorities, digital approval procedures and the classification of geothermal energy as a project of vital public interest. These measures are intended to help shorten planning and implementation times for geothermal projects. This will also significantly improve the predictability of geothermal energy projects. The goal is to tap into the potential of geothermal energy to meet Germany's carbon-neutral heating demand much more rapidly.

Another important element in improving the investment conditions for geothermal energy projects is the **introduction of a financing instrument to hedge against exploration risks**. This instrument was developed jointly by KfW, Munich Re and the German Federal Ministry for Economic Affairs and Climate Action. It was launched on 18 December 2025 as part of the KfW Geothermal Energy Promotional Loan (programme number 572). The programme combines two elements: It offers long-term KfW financing in the form of low-interest loans for geothermal drilling to depths of 400 metres or more in Germany. It also includes an insurance solution to hedge against the risk of unsuccessful drilling. It is thus designed to facilitate the financing of deep geothermal energy projects. Munich Re assesses the drilling projects in advance for feasibility and insurability.^{27 28}

STRUCTURE OF COVERAGE FOR EXPLORATION RISKS



²⁷ KfW Geothermal Energy Promotional Loan (572) | KfW, [https://www.kfw.de/inlandsfoerderung/%C3%96ffentliche-Einrichtungen/Energie-Versorgung-und-Netze/KfW-F%C3%B6rderkredit-Geothermie-\(572\)/](https://www.kfw.de/inlandsfoerderung/%C3%96ffentliche-Einrichtungen/Energie-Versorgung-und-Netze/KfW-F%C3%B6rderkredit-Geothermie-(572)/), retrieved on 18 March 2026

²⁸ MunichRe: Geothermal energy: Exploration risk insurance mitigates financial risks | Munich Re, <https://www.munichre.com/de/insights/energy/geothermal-energy.html>, retrieved on 18 March 2026

The primary goal is to cushion the risk associated with the first drilling operation in a geothermal energy project, which can easily amount to between EUR 20 million and EUR 30 million. In this context, the **KfW Geothermal Energy Promotional Loan (programme number 572)** can cover the costs of the first borehole, provided that it does not yield the expected geothermal properties or subsurface conditions required for commercially viable operation. Part of the risk is assumed by the reinsurer Munich Re, whilst KfW acts as a co-financier for the remaining portion. Commitment appropriations totalling EUR 50 million are earmarked for the programme over four years, which is expected to support up to 65 projects.²⁹

The financing instrument is already showing a positive impact on demand in the geothermal sector (see Forecast Report – Future Economic Conditions). Together with the already established Federal Funding for Efficient Heating Networks, the Geothermal Energy Acceleration Act and the exploration risk insurance provided under the KfW Geothermal Energy Promotional Loan form key building blocks for improving investment conditions in the geothermal market. The combined force of these three instruments provides a regulatory framework that reduces investment risks and significantly increases planning certainty for geothermal energy projects.

At European level, favourable market conditions for low-carbon energy alternatives are also expanding. For example, the European Emissions Trading System for Buildings and Transport (ETS II) is set to introduce a carbon price for fossil fuels in these sectors starting in 2027. This will make fossil fuels more expensive in the long term, whilst virtually emission-free energy sources such as geothermal energy can become more economically attractive.

Furthermore, in many European countries, energy policy continues to focus on reducing dependence on fossil fuels and on individual supplier countries. In this context, base-load-capable, regionally available energy sources such as geothermal energy, are gaining strategic prominence.

Industry context and tender volume

In the opinion of the Daldrup & Söhne AG Management Board, an expanded government funding framework, local energy initiatives in a predominantly urban environment, and the already subsidy-free operation of heat generation plants, as well as sophisticated exploratory drilling, mark an intact industry environment for Daldrup & Söhne AG.

This is also reflected in the drastically higher volume of contracts currently being tendered (relevant, processed market volume assessed with probabilities of occurrence) compared to previous years.



²⁹ See the 2025 Federal Budget, Section 60 (Energy and Climate Fund), Chapter 6002; and information from the German Geothermal Association, cited in media reports, including in: 'Geothermal Energy: Faster Drilling with Insurance', Mitteldeutsche Zeitung / ZEIT ONLINE, 2025, Risk Mitigation: Geothermal energy: Faster Drilling with Insurance, retrieved on 18 March 2026

2.2 MARKET ENVIRONMENT FOR THE OTHER BUSINESS UNITS

Market for Raw Materials & Exploration

The market for exploration and prospecting drilling mostly comprises geological surveys for exploration of raw materials, as well as drilling to investigate and assess geological structures in connection with infrastructure, energy and security projects. This type of drilling serves to gather geological data and often provides the foundational framework for planning and approval procedures.

Efforts are currently centred on finding suitable sites for a deep geological repository for radioactive waste. Site selection processes of this kind are already underway in several Central European countries. In this context, exploratory drilling, supported by scientific research, is being conducted to complete the overall geological mapping of potential site regions and to establish a sound foundation for selecting a suitable final repository site. This drilling is subject to enormous technical requirements and a comprehensive scientific support process.

In this context, Daldrup & Söhne AG has acted as a drilling service provider in the past for the National Cooperative for the Disposal of Radioactive Waste (Nagra) in Switzerland and the Federal Company for Final Disposal (Bundesgesellschaft für Endlagerung mbH; BGE) in Germany as

well as a few others. The drilling for these projects served to gather geological data reflecting modern technical and scientific standards and forms an important foundation for assessing potential final repository sites.

In addition to final repository exploration, infrastructure and raw materials projects also contribute significantly to the demand for exploration and prospecting drilling. The German government plans to invest around EUR 166 billion in the refurbishment and modernisation of transport infrastructure by 2029.³⁰ Infrastructure projects of this scale regularly require ground investigation and exploratory drilling to assess the geology of sites and route alignments, thereby forming a foundational framework for the planning and implementation of such projects. This may generate demand for the relevant drilling services.

Furthermore, measures relating to post-mining remediation continue to generate a need for exploration and prospecting drilling. This mainly involves gas relief drilling for controlled discharge of mine gas, as well as monitoring and level boreholes to monitor geological structures, water levels and water quality in former mining areas.

Infrastructure projects and geological exploration programmes therefore also represent a significant source of demand for Daldrup & Söhne AG.

Market for Environment, Development, Service (EDS)

The EDS business unit comprises environmental drilling and specialist services, which are primarily provided in connection with underground environmental and remediation measures.

Demand for these drilling services mostly arises from legal requirements relating to environmental, soil and water protection, as well as from measures to remediate contaminated sites. They include backfilling of disused but not yet backfilled oil and gas wells as well as projects to secure former industrial and landfill sites or to monitor and safeguard groundwater conditions.

Typical measures involve hydraulic remediation of contaminated sites, construction of gas extraction wells to capture landfill gas, installation of groundwater monitoring points, and technical facilities for treatment or discharge of water.

³⁰ BMV - Schnieder: 166 billion for transport infrastructure, <https://www.bmv.de/SharedDocs/DE/Pressemitteilungen/2025/029-schnieder-166-milliarden-fuer-verkehrsinfrastruktur.html?utm.com>, retrieved on 18 March 2026

Furthermore, the professional decommissioning and securing through backfilling of disused boreholes, including those from the oil and gas sector, is becoming increasingly important in Europe in order to avoid potential environmental and safety risks.

The market for specialised environmental drilling in Germany is predominantly based on medium-sized service providers. Clients include public bodies, industrial companies as well as the exploration and production industry. Due to the investigative, safety and monitoring measures often required by law or by the authorities, this market as a whole presents a relatively stable trend in demand.

Market for water procurement

The market for well drilling and water procurement in Germany is primarily driven by the need to secure the long-term supply of drinking water. The main clients are municipal utility companies and industrial users with their own water requirements.

Demand for well drilling arises from the development of new water resources and from the refurbishment, renewal, deepening or replacement of existing well systems. Increasing requirements for drinking water quality, as well

as regional changes in the groundwater situation, may necessitate additional investment in new water procurement facilities.

In addition to extraction of drinking and industrial water, the market also encompasses applications for extraction of medicinal, mineral or cooling water, as well as thermal brine. The market for water procurement drilling in Germany is predominantly based on specialised medium-sized service companies.

Demand in this business segment currently remains at a constant level.

2.3 COMPETITION

Competition in the geothermal energy market

The geothermal market is burdened by the limited availability of qualified drilling capacity from companies with sufficient experience in planning and drilling of geothermal wells. This applies to the available technical drilling rigs as well as the trained drilling crews. Therefore, the expansion options for geothermal exploitation of aquifers are limited, at least in the short to medium term.

As a result, drilling prices remain relatively stable overall, whilst competition can be fierce in some individual tenders.

Competition in the deep geothermal drilling sector is predominantly characterised by small and medium-sized enterprises with a regional or national focus. Along with the few specialised geothermal drilling companies, drilling companies primarily active in the oil and gas industry also occasionally participate in tenders for geothermal energy projects. However, in periods of high crude oil prices, these companies generally refocus on their core business.

Market access is subject to high technical, financial and, increasingly, regulatory requirements – both statutory and administrative. They represent significant barriers to market entry for new, foreign market participants, for example from China or the USA.

Competitive position for Daldrup & Söhne AG

Daldrup confronts this competitive environment with long-standing technical expertise, competitive pricing and a high standard of service in the planning and execution of drilling projects.

The strong competitive position of renowned brand Daldrup & Söhne AG is mainly derived from:

- decades of experience in deep geothermal operations with over 70 testimonial projects,
- successful activity in several Central European countries (Benelux, Switzerland, Austria, Germany),
- an extensive array of drilling devices, including four plants with drilling depths of between 2,500 metres and 6,000 metres,
- experienced and specialised drilling teams who ensure that projects are carried out efficiently and to a high standard.

Competition in the other business units

In the **Raw Materials & Exploration, Environment, Development, Service (EDS) and Water Procurement** business units, competition is predominantly characterised by specialist service providers, most of which are medium-sized enterprises. The respective markets are predominantly organised on a project-by-project basis. Contracts are generally awarded through tenders issued by public sector clients, industrial companies or utility firms.

The competitive landscape is largely determined by the availability of high-performance drilling rigs and by the technical expertise of market participants.

The competitive advantages established by Daldrup & Söhne AG in the geothermal sector, particularly with regard to equipment availability, technical expertise and project experience, can also be applied to its other business units. This enables Daldrup & Söhne AG to respond flexibly to project-specific requirements and to offer economically and technically suitable solutions under a variety of geological and infrastructural conditions.

2.4 CUSTOMER BASE AND CUSTOMER RELATIONSHIPS

Daldrup & Söhne AG maintains long-standing, good business relationships with a broad network of customers comprising local authority clients, industrial companies and private-sector project developers. Some of these client relationships have existed for decades.

In addition to these long-term business relationships, the company frequently succeeds in attracting new clients. During the reporting period, business relationships were established with additional clients from municipal and private sectors, as well as with investors in major geothermal energy projects in the DACH region and the Benelux countries.

A significant proportion of the projects are awarded through tendering procedures. The company's stock market listing contributes to a high degree of transparency and continuity in reporting to customers, suppliers, financial institutions and shareholders.

Daldrup & Söhne AG operates within the framework of secured budgets. This is because the investment decisions for ongoing and pending drilling projects are made months or years earlier by our customers. Investment decisions in energy supply are also led by municipalities and private investors based on long-term considerations, and are often counted among public services.

3. STRATEGY, OBJECTIVES AND CORPORATE MANAGEMENT

The Daldrup Group strongly specialises in planning and execution of drilling operations for the aforementioned business segments. The company also supports customers with their drilling and project initiatives, some of which are complex and technically demanding. Operational services are predominantly provided by Daldrup & Söhne AG.

Considering the persistently tense energy and geopolitical situation, as well as structurally higher prices for fossil fuels, the company sees significant overall market potential for its products and services.

The goal is to expand its leading market position in Germany and Central Europe as an experienced specialist in drilling technology and geothermal energy. In the market environment described above, the company intends to continue to grow organically. With that in mind, collaborations with partner companies and, where appropriate, the acquisition of competitors are conceivable.

Sometimes complex and highly demanding customer orders at great depths require a high level of technical expertise and specialised equipment. To meet this goal, Daldrup & Söhne AG maintains its own extensive fleet of drilling rigs, which is continuously maintained, upgraded

and expanded as needed. Further investment in the drilling rig fleet is planned.

Another key factor in our success is our team of qualified in-house drilling crews, as well as the support provided by external specialists and labour. Despite a tight labour market for technical specialists, the company has succeeded in increasing its workforce in line with the expansion of the drilling rig fleet. We see our attraction of younger, well-trained employees and specialists as a sign that our business model and company are appealing.

The continued advancement of the Group requires frequent adjustments to the strategy process in terms of sales, project organisation and finance. The strategy is designed to sustainably increase the Daldrup Group's financial strength and profitability and to significantly reduce project risks. The focus is on internal processes as well as management and monitoring of drilling projects and associated companies. The ERP system introduced in 2024 in this context has been in use since April 2025 and covers almost all operational processes. It facilitates the integration of artificial intelligence across the Group and facilitates continuous, data-driven improvement of corporate planning and management.

Key financial and earnings performance indicators of Daldrup & Söhne AG improved in fiscal year 2025.



4. LONG-TERM EQUITY INVESTMENTS

The holdings of Daldrup & Söhne AG are operating in the regions of Switzerland and Benelux. They scour the regional markets and sometimes run the operational drilling business in the aforementioned regions. Furthermore, the company is seeking strategic collaborations and partnerships for the targeted execution of projects.

As at 31 December 2025, the Daldrup Group included the following direct and indirect, operationally active, significant shareholdings:

Daldrup Bohrtechnik AG, 6023 Rothenburg (Switzerland)

Daldrup Bohrtechnik AG operates independently in an interesting Swiss market with potential in geothermal energy. Our market exploration is particularly focussed on the Swiss market, which is interesting for us and. In this market, we have business relationships and contacts with important customers, some of which go back many years. In addition to wells for the exploration of geothermal energy, special and exploratory wells, for example, for brine production and depth storage discovery, are in high demand. The necessary drilling technology and qualified operators are provided, as needed, by Daldrup & Söhne AG.

GERF – Geothermal Energy Realisation and Financing B.V., 2675 BR Honselersdijk (Netherlands)

The use of geothermal energy as a resource-conserving energy source is being well received by large greenhouse operators (vegetables, flowers, plants) in the Netherlands. The Dutch Ministry of Economics and the regional provinces are supporting this development through a programme of subsidies for investment in self-sustaining geothermal heating plants. Therefore, Daldrup has been represented with this office in the Netherlands since 2011. The company is currently not involved in any operational projects. It will continue to be maintained in order to capitalise on potential future business opportunities in the Dutch market.

Daldrup Wassertechnik GmbH, 59387 Ascheberg

During the fiscal year, Daldrup & Söhne AG continued to consider outsourcing business activities regarding water procurement to Daldrup Wassertechnik GmbH. Plans regarding this are currently on hold.

D&S Geothermie GmbH, 82031 Grünwald

After the disposal of the Geysir subgroup in 2019 / 2020, the company is prepared to assume the function of an intermediate holding company for project companies with medium-sized geothermal projects.



Nature's Heat project, Delft region, Netherlands

5. RESEARCH AND DEVELOPMENT

Daldrup & Söhne AG continues to regard itself as a technological pioneer in deep geothermal energy and also intends to take up the technical challenges presented by petrothermal geothermal energy of Enhanced Geothermal Systems (EGS) as well as closed-loop systems³¹ in the future. According to information from the German Geothermal Association, the use of heating and cooling should be expanded in the future, and seasonal heat reservoirs deployed. Research projects are primarily intended to contribute to promoting innovative approaches, reducing risks and costs, creating storage options and increasing the recognition and acceptance of this form of renewable energy. The German government's energy research programme, the Renewable Energies Act, The Building Energy Act, the Federal Fund for Efficient Buildings and the Federal Fund for Efficient Heating Networks form the political framework for this.

The further development of the technology field of geothermal energy is not limited to the national market, but rather offers a broad field of action in the international context as well. Generally speaking, there are three types of heat extraction from underground in the area of deep geothermal energy:

➤ Deep geothermal energy probes

Closed circuit within a U tube or a coaxial probe with a circulating heat transfer medium (e.g. geothermal energy project for electricity plants for the city of Zurich, Switzerland, in the Triemli District and the LAGO Group in Belgium).

➤ Hydrothermal systems

Closed circuit in which thermal water is pumped from production wells and fed back into natural aquifers via re-injection wells.

➤ Petrothermal systems (EGS)

Cracks and fissures are created or expanded in the dry subsurface using hydraulic stimulation measures, through which artificially introduced or injected water can flow. While Daldrup has successfully executed the first two systems and taken the projects into operation on several occasions, there is no petrothermal geothermal energy project in regular operation in Europe besides Soultz-sous-Forêts.

6. OVERVIEW OF THE ECONOMIC ENVIRONMENT AND BUSINESS DEVELOPMENT

Macroeconomic environment

In its assessment published in January 2026, the International Monetary Fund (IMF) estimated that global economic growth was 3.3 % in 2025.³² The global economy thus once again proved to be stable overall. According to the

Kiel Institute for the World Economy (IfW), global output slowed only slightly last year despite damaging trade conflicts and heightened uncertainties, whilst world trade actually performed well according to the IfW. Further impetus for trade and investment is primarily coming from the ongoing boom in the field of artificial intelligence.³³

In its assessment published in January 2026, the International Monetary Fund (IMF) estimated that economic growth in the eurozone was 1.4 % in 2025. The subdued growth rate is attributed to persistent structural problems. Compared with other regions, the euro area is benefiting less from the recent, technology-driven surge in investment. According to the IMF, the ongoing effects of the sustained rise in energy prices since Russia's invasion of Ukraine, as well as the real appreciation of the euro against the currencies of countries with comparable export products, continue to weigh on the industry.³⁴

³¹ Definition: In geothermal energy, a closed-loop geothermal system (CLGS) refers to a system for extracting heat from the ground, in which the heat transfer medium (working fluid) circulates within a closed (pipe) system and without direct contact with the geological formations underground. Source: Bundesverband Geothermie (German Geothermal Association): Closed System, <https://www.geothermie.de/bibliothek/lexikon-der-geothermie/g/geschlossenes-system/> retrieved on 18 March 2025

³² IMF – World Economic Outlook, January 2026

³³ Kiel economic reports No 128 (2025/Q4), Global economy in winter 2025

³⁴ IMF – World Economic Outlook, January 2026

Overall economic development in Germany remained subdued in fiscal year 2025. According to figures from the German Federal Statistical Office (Destatis), the inflation-adjusted gross domestic product (GDP) rose by 0.2 % compared with the previous year. This marked the first time in two years of decline that the German economy had grown slightly. The main drivers of growth were higher consumer spending by private households and government expenditure. However, economic momentum remained weighed down by sluggish industrial production, weak capital investment and a challenging global environment. Moreover, escalating trade tensions and protective tariffs weighed heavily on Germany's export-oriented sectors.³⁵

Demand for geothermal energy projects continues to rise across Europe: Geopolitical risks as a driving force

According to Daldrup & Söhne AG, demand for projects utilising geothermal energy for electricity and heating supply has experienced a noticeably positive trend in Central Europe since the second quarter of 2025, despite the subdued economic climate.

Overall, the company maintains that robust energy and climate policies continue to provide strong financial and strategic incentives to decarbonise the energy supply, particularly in the heating sector, and to reduce the dependence of Germany and other EU countries on fossil fuels

and piped natural gas. Consequently, the use of domestically sourced, climate-friendly energy sources capable of providing base load power, such as geothermal energy, is more vital than ever. At the same time, the significantly higher and frequently volatile price levels of fossil fuels in recent years have improved the economic viability of many geothermal energy projects.

According to Daldrup & Söhne AG, energy and climate policy objectives at national and European level will remain a cornerstone of long-term geothermal market expansion. The European Union is committed to slashing net greenhouse gas emissions by at least 55 % by 2030 compared with 1990 levels.³⁶ Furthermore, the EU Emissions Trading Scheme (ETS) will be extended to the buildings and road transport sectors under ETS II.³⁷ This means that the currently enforced national Fuel Emissions Trading Act (BEHG) in Germany will eventually be integrated into the European system. Programmes such as the European Green Deal, which establishes the foundational architecture for European climate policy, and REPowerEU, which was launched in 2022 as a direct response to the war in Ukraine, are providing further impetus for investment in climate-friendly energy technologies within the European Union.³⁸

In Germany, the **Federal Fund for Efficient Heating Networks** is designed to accelerate the heating transition.

It creates improved framework conditions for the expansion of renewable heat sources, including geothermal energy. In addition, the **Act on Municipal Heating Planning**, which was passed in 2024, requires that larger towns and municipalities establish transformation plans for a carbon-neutral heat supply.

The rising demand for geothermal drilling in Germany in 2025 was initially also attributable to the fact that market confidence had risen significantly after the new federal government in assumed office. From the outset, the government confirmed and partially updated the energy and climate policy direction of the heating transition, which, according to Daldrup & Söhne AG, helped translate market investment plans into actionable strategies.

³⁵ German Federal Statistical Office, press release No 017 dated 15 January 2026: 'Gross domestic product grew by 0.2% in 2025', https://destatis.de/DE/Presse/Pressemitteilungen/2026/01/PD26_017_811.html, retrieved on 15 March 2026

³⁶ <https://www.consilium.europa.eu/de/policies/green-deal/>, retrieved on 16 March 2026

³⁷ <https://www.bundesregierung.de/breg-de/bundesregierung/gesetz-es-vorhaben/eu-emissionshandel-1684508>, retrieved on 16 March 2026

³⁸ Handelsblatt trade journal, Europe hits back at China and the US over subsidy policies, 9 March 2023; <https://www.handelsblatt.com/politik/international/energiewende-europa-kontert-subventionspolitik-chinas-und-der-usa/29028218.html>

From a regulatory perspective, the positive development in the geothermal market is especially attributable to the **Geothermal Energy Acceleration Act**, which was passed in December 2025, and the **KfW promotional loan ‘Geothermal Energy with Exploration Risk Insurance’ (Programme 572)**, which was also launched in December 2025.

The **Geothermal Energy Acceleration Act** recognises geothermal energy as being of ‘vital public interest’. Amongst other things, it stipulates procedural simplifications, fixed deadlines for public authorities, digitalisation of permit applications and the feasibility of accelerating project timelines. It ensures that planning and approval procedures move faster and increases planning certainty for clients such as cities and local authorities.

The **KfW promotional loan ‘Geothermal Energy with Exploration Risk Insurance’ (Programme 572)** combines low-interest KfW financing with an insurance solution developed by Munich Re to partially hedge against geological exploration risks. This effectively addresses the challenges concerning the initial borehole, should it fail to deliver the expected geothermal properties or conditions in the subsurface. Consequently, this instrument significantly improves the investment conditions for project developers, municipal utilities and local authorities.

According to Daldrup & Söhne AG, the combination of the **Federal Fund for Efficient Heating Networks**, the **Geothermal Energy Acceleration Act** and the **KfW promotional loan ‘Geothermal Energy with Exploration Risk Insurance’ (Programme 572)** has led to a noticeable increase in demand for medium-depth and deep geothermal projects over the course of 2025. Numerous exploratory talks and requests for quotations indicate that market investment plans are materialising.

According to Daldrup & Söhne AG, a major challenge for the implementation of many projects currently lies less in the number of potential drilling projects than in the limited availability of experienced drilling companies with the appropriate technical equipment and project experience. Deep geothermal energy projects require complex contractual and project structures, such as general contractor day-rate contracts, under which the drilling contractor, acting as the general contractor, is responsible for the drilling work, including coordination of various trades involved, and is remunerated based on agreed daily rates. To successfully deliver these projects, drilling service providers must not only possess extensive technical and organisational experience. They must also be able to structure and manage a wide range of project-specific contracts with subcontractors and suppliers.

High capacity utilisation in 2025 – generally positive performance across business units

Daldrup & Söhne AG recorded very promising demand in fiscal year 2025. Although public and private sector clients remained hesitant to award new contracts at the start of 2025, demand for drilling at all depths rose steadily in the second half of 2025. This development was mainly driven by the KfW promotional loan ‘Geothermal Energy with Exploration Risk Insurance’ (Programme 572), which was in the process of being implemented. It was also driven by the prospect that the Geothermal Energy Acceleration Act would be enforced before the end of 2025, leading to a noticeable increase in requests for quotations from the middle of the year onwards. Daldrup & Söhne AG also reinforced its core business in 2025 through investments in technical upgrades and expansions to its fleet of equipment. This is primarily intended to meet the growing demand for drilling services in the geothermal sector, but also in the raw materials and exploration sectors. This includes the acquisition of two new drilling rigs (Bauer RB 65) and five second-hand Bauer drilling rigs (Bauer RB 50, RB 40 and RB 25), which can be used in the fields of medium-depth geothermal energy, exploration and well construction at depths ranging from 400 metres to 1,500 metres.

At the same time, the workforce was also expanded in selected technical and operational areas to meet the increased demand for drilling services and the growing project activity in the Geothermal Energy and Raw Materials & Exploration business units.

Overall performance development

The Daldrup Group generated total output of EUR 51.1 million in 2025 (previous year: EUR 54.6 million).

The individual business units of the Daldrup Group accounted for the following shares of total output:

- **Geothermal Energy:** EUR 15.6 million (30.6 %); (previous year: EUR 23.2 million; 42.5 %)

In fiscal year 2025, around 31.6 % of this amount was attributable to near-surface geothermal energy (previous year: 21.4 %), 38.2 % to medium-depth geothermal energy (previous year: 1.4 %) and 30.2 % (previous year: 78.2 %) to deep geothermal energy.

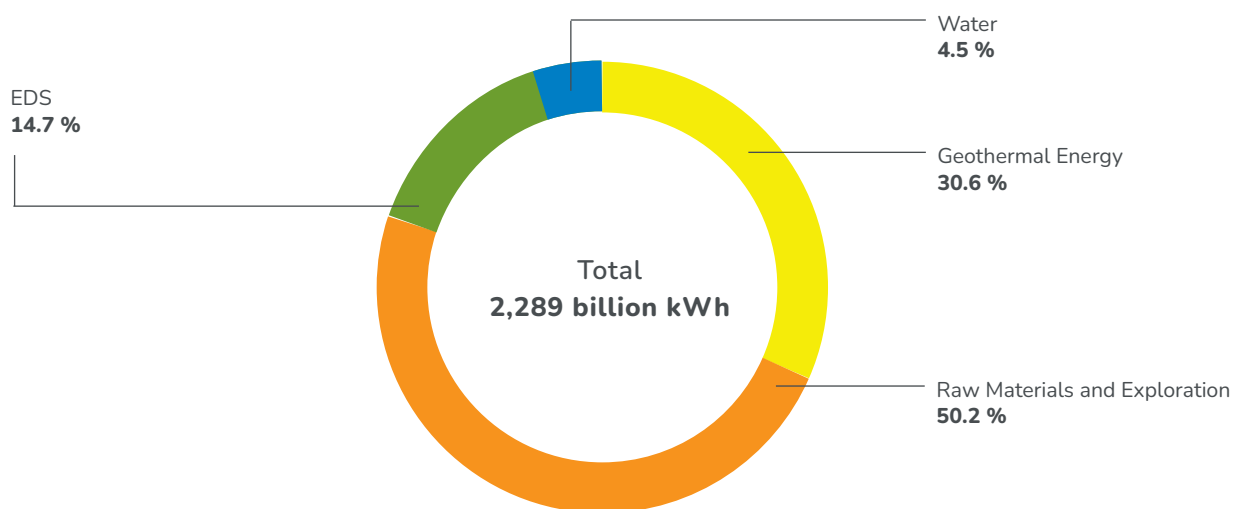
- **Raw Materials & Exploration:** EUR 25.7 million (50.2 %); previous year: EUR 27.2 million (49.9 %).

- **EDS:** EUR 7.5 million (14.7 %); previous year: EUR 3.6 million (6.5 %)

- **Water Procurement:** EUR 2.3 million (4.5 %); previous year: EUR 0.6 million (1.1 %)

The overall performance in fiscal year 2025 were 82.7 % in Germany (previous year: 92.8 %) and 17.3 % in the neighbouring European countries (previous year: 7.2 %).

BREAKDOWN OF TOTAL GROUP TOTAL OUTPUT BY BUSINESS UNIT IN 2025 (IN PER CENT)



SELECTED ACTIVITIES OF THE INDIVIDUAL BUSINESS UNITS IN 2025

Geothermal Energy

In the Geothermal Energy division, drilling work for municipal geothermal energy projects for heat supply was carried out during fiscal year 2025. These included for example the completion of deep geothermal wells for Stadtwerke Neuruppin (municipal utility) to tap into thermal water for the local district heating network.

Additionally, the third quarter marked the start of refurbishing and recommissioning an existing well (as an injection well) as well as the drilling of a new vertical well (as a production well) to a depth of approximately 1,000 metres for the City of Prenzlau. The geothermal doublet in Prenzlau is expected to supply up to 5,500 households with district heating.

Additionally, in Bavaria, the central drilling site and the standpipe boreholes for Amperland Thermalwärme GmbH's Olching project were completed in preparation for drilling to commence in 2026, whilst the second major project for Innovative Energie für Pullach GmbH in Pullach was also prepared for its launch in 2026. In Pullach, Daldrup will carry out deep geothermal drilling at two sites over a period of around two and a half years to exploit the

Malm reservoir (Upper Jurassic), with well lengths between 4,000 and 5,100 metres and expected temperatures of 122 °C to 142 °C. In Olching, two deviated deep geothermal boreholes with lengths of around 2,430 metres and 3,700 metres will be drilled on the site of the Geiselbullach cogeneration plant.

In the field of deep geothermal energy, contracts are generally performed under general contractor day-rate contracts. This type of contract features lower risks. However, opportunities to sell necessary installation materials, such as steel casing, wellbore plugs and liner hangers, have a tendency to decline, as these purchases are often made directly by the clients and supplied by them. The Olching project is being managed under a contract for work and services, under which all services relating to drilling, including detailed planning for drill site construction and drilling operations, are provided by us as the general contractor.

In shallow geothermal energy, sales contributions increasingly came from the construction of borehole fields for geothermal heat pumps in the commercial new construction sector, whereas drilling for private households declined due to the sharp slowdown in construction activity for detached and semi-detached houses.



Raw Materials & Exploration

The Raw Materials & Exploration business unit performed extremely well in fiscal year 2025, driven by high demand for relevant drilling services. The strong order situation was primarily driven by drilling activity within our post-mining care and maintenance operations.

For example, this business unit drilled gas relief and level boreholes as part of post-mining remediation in the Ruhr region for RAG Aktiengesellschaft and carried out exploratory drilling for salt extraction in Switzerland for Schweizer Salinen AG. Moreover, Daldrup carried out the sinking of several research boreholes. One was carried out for the Geological Survey of North Rhine-Westphalia in Krefeld to a depth of up to around 1,000 metres. The objective was to investigate the geothermal potential of Carboniferous-era limestones. Two additional boreholes were drilled in the Odenwald. One vertical and one deviated borehole were drilled to scientific standards as part of the GeoLaB research infrastructure, an underground laboratory for investigating the geothermal potential of the crystalline bedrock.



EDS

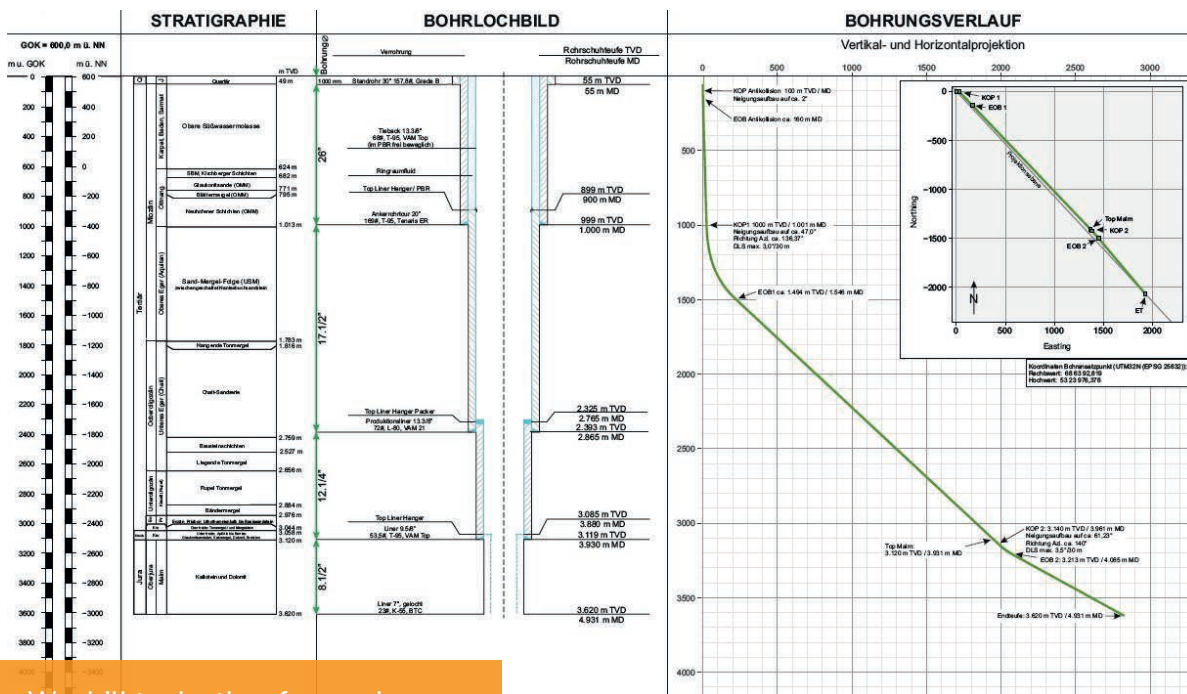
The EDS business unit also enjoyed a healthy order situation in fiscal year 2025 and continues to experience strong demand. Projects carried out by Daldrup & Söhne AG included work on backfilling abandoned boreholes in Switzerland and filling cavities in old mine workings and shafts with mine backfill in the Ruhr region and the Saarland.



Demand in the water procurement sector remained steady. In 2025, for example, well drilling for drinking water procurement was carried out in Lugau (Saxony) to depths of around 600 metres.

The order situation was good at the end of the fiscal year in terms of drilling rigs for medium-depth and deep geothermal wells. The same applies to drilling rigs for shallower depths. For example, they were utilised at full capacity for well drilling, in old mining activities or shallow geothermal energy for real estate.





Order backlog

The Daldrup Group had a very healthy order situation overall. Across all business units (Geothermal Energy, Raw materials & Exploration, EDS and Water Procurement) this figure once again reached a record level of around EUR 128 million in Germany and other European countries as at 31 December 2025.

As at the end of March 2026, the order backlog remained at around EUR 120 million, which, on a calculated basis, will keep production capacities fully utilised well into 2027.

The demand situation continues to be brisk. Daldrup & Söhne AG has also secured further large drilling orders for geothermal use or for special contracts. In the near-surface geothermal sector, the company benefited from high demand for heat pump systems.

Moreover, the total relevant market³⁹ (assessed with probabilities of occurrence based on orders under negotiation as at March 2026) amounts to around EUR 380 million. This figure therefore remains at a historically high level, highlighting the continued strong interest in drilling and the structurally growing market relevant to Daldrup.

Source: IEP Innovative Energie für Pullach GmbH

We drill to depths of around
6,000
metres.

³⁹ Daldrup & Söhne AG's definition of 'relevant market': The relevant, processed market volume, assessed using occurrence probability, shows the potential for new business over the next few years. (Potential orders are assessed across several probability levels.)

B. RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

1. EARNINGS SITUATION

The volatile course of projects inevitably leads to occasionally strong fluctuations in value in the consolidated income statement. At EUR 39.9 million (previous year: EUR 54.1 million), sales are at a lower level than in the previous year. However, considering only the revenues from completed and invoiced orders would give an incomplete picture of the total work completed in the fiscal year due to the partly medium-term project progress. Therefore, under consideration of German accounting standards, the changes in work in progress and work commissioned by the customer must be reflected in the assessment of the earnings position. In accordance with the principle of prudence, these changes in inventories are initially adjusted by a 12.5 % standard deduction from the value of the work performed. For example, this is done to account for construction or acceptance risks. This deduction is only realised after completion, acceptance and final invoicing of a project. The project and operating costs must, by contrast, be recorded straight away when they arrive.

The inventories of partially completed work increased significantly by around EUR 11.0 million (previous year: EUR + 0.2 million). Amongst other things, this includes projects in Belgium and Germany for which final accounts have not yet been established. At almost EUR 0.2 million (previous year: EUR 0.3 million), rigs were manufactured more cost-effectively in-house. Overall, this results in total

output for the fiscal year of EUR 51.1 million (previous year: EUR 54.6 million). The increase in the backlog of orders in progress is primarily attributable to the fact that fewer day-rate contracts were processed in fiscal year 2025.

Other operating income increased significantly to EUR 1.3 million (previous year: EUR 0.5 million). Amongst other things, this item also includes income from currency translations with Swiss customers of EUR 0.1 million (previous year: EUR 0.1 million). It is offset by almost the same amount of expenses from currency translations of EUR 0.1 million (previous year: EUR 0.1 million). The is attributable to the fact that significant orders or currency positions are hedged in accordance with the strict risk policy of the company. This item also includes income from partner distributions amounting to around EUR 0.8 million. Further details can be found in the notes to the financial statements.

The cost of materials decreased by 10.5 % compared to the previous year to EUR 20.7 million (previous year: EUR 23.1 million). This development goes hand in hand with the lower total output. Furthermore, fewer subcontractor services were procured for projects carried out in fiscal year 2025, meaning that the proportion of outsourced services relative to total output was reduced to 23.6 % (previous year: 33.4 %).

Gross profit, defined as the sum of total output, other op-

erating income and cost of materials, was EUR 31.7 million (previous year: EUR 31.9 million), remaining at previous year's level in absolute terms. In relation to total output, the Group's gross profit margin rose by around 3.5 percentage points to 62.0 % (previous year: 58.5 %).

New hires for upcoming major projects, increased working hours by our staff, and pay rises largely offset the one-off effects arising from the departure of a member of the Management Board in 2024. As a result, personnel expenses remained at previous year's level at EUR 11.2 million (previous year: EUR 11.2 million). As a proportion of total output, the personnel expenses ratio rose to 22.0 % (previous year: 20.6 %).

At EUR 1.9 million (previous year: EUR 1.6 million) or 3.7 % (previous year: 2.9 %) of the total output, scheduled depreciation of non-current assets was above previous year's level. The Drillmec big rig was depreciated up to and including mid-2024. This means that a positive effect on earnings of around EUR 0.2 million will be recorded compared to previous fiscal years from the elimination of scheduled depreciation. The substantial investments in fixed assets totalling EUR 5.7 million (previous year: EUR 4.1 million), made at the end of fiscal year 2024 and during fiscal year 2025, account for the increase in depreciation and amortisation. The investments are mainly used to expand the plant and equipment and replace equipment that was rented.

Depreciation of current assets amounting to roughly EUR 0.4 million (previous year: EUR 2.4 million) were recognised for merchandise (technology components) at the subsidiary D&S Geothermie GmbH.

Other operating expenses, at EUR 9.5 million (previous year: EUR 9.7 million), remained roughly at previous year's level, but rose slightly in relation to total revenue in fiscal year 2025, from 17.8 % to 18.6 %. At EUR 0.7 million (previous year: EUR 0.8 million), transport costs for the large drilling rigs were on par with the previous year. Repair and maintenance costs increased to EUR 2.0 million (previous year: EUR 1.7 million). At EUR 1.4 million, advertising and travel expenses were above previous year's figure of EUR 1.2 million. Since currency risks are predominantly supposed to be hedged in accordance with the risk policy, other operating income from currency hedging of EUR 0.1 million (previous year: EUR 0.1 million) is offset by expenses of almost the same amount.

The financial result amounts to EUR - 0.4 million (previous year: EUR - 4.2 million). At EUR 0.2 million (previous year: EUR 3.7 million), the depreciation of financial assets and securities held as current assets are the main items in this partial result. Of this amount, impairments of EUR 0.2 million (previous year: EUR 3.2 million) were recognised on the subordinated receivables from the sold Geysir Europe Group. At EUR 0.5 million (previous year: EUR 0.8 million), interest expenses are significantly lower than previous

year's figure despite the rise in interest rates, because the reporting company did not need to draw down the available overdraft facilities during fiscal year 2025.

At roughly EUR 7.7 million, consolidated net profit for the year was significantly higher than the previous year (previous year: EUR 2.5 million).

Based on earnings before taxes of EUR 8.3 million (previous year: EUR 2.8 million) and with the standard elimination of the financial result, this results in an operating EBIT⁴⁰ of EUR 8.7 million (previous year: EUR 6.9 million) in fiscal year 2025, or 17.1 % (previous year: 12.7 %) of total output. Based on this ratio, EBITDA⁴¹ of EUR 10.6 million (previous year: EUR 8.5 million) or 20.8 % (previous year: 15.6 %) of the group's total operating output was achieved in the reporting year.

The forecast output for fiscal year 2025 of around EUR 52.0 million was almost achieved, at a total of EUR 51.1 million. The reason for falling slightly short of this figure was the postponement of the drilling start for the Pullach geothermal energy project until 2026.

By contrast, the Daldrup Group significantly exceeded the forecast from August 2025 for an operating EBIT margin of between 10 % and 12 % after achieving an operating EBIT of EUR 8.7 million and a resulting EBIT margin of 17.1 %.



⁴⁰ EBIT = net income for the year – taxes on income & earnings + interest & similar expenses + depreciation of financial assets – other interest and similar income – income from other securities and long-term loans

⁴¹ EBITDA = EBIT + amortisation of intangible fixed assets and depreciation and amortisation of property, plant, and equipment

2. CAPITAL SITUATION

The balance sheet total of the group as at 31 December 2025 reached EUR 46.5 million (previous year: EUR 34.2 million) and increased by around EUR 12.3 million compared to the balance sheet date of the previous year.

The tangible fixed assets are subject to scheduled depreciation and amounted to EUR 12.3 million (previous year: EUR 8.6 million). It especially includes the inventory of drilling rigs as well as the vehicle fleet and the required factory and office equipment. The change results from additions to fixed assets amounting to around EUR 5.6 million, of which roughly EUR 0.2 million is attributable to capitalised personal contributions. Scheduled depreciation amounted to approximately EUR 1.9 million. The additions primarily include operationally essential investments, in particular the acquisition of two new drilling rigs and equipment for drilling operations. They also replace previously rented equipment.

Financial assets totalled approximately EUR 0.4 million (previous year: EUR 0.6 million). Subordinated receivables from the companies of the former Geysir sub-group are recognised at around EUR 0.2 million (previous year: EUR 0.4 million), after another EUR 0.2 million of this item was written off in fiscal year 2025 due to permanent impairment (financial result).

Raw materials, supplies and consumables as a sub-item of inventories amounted to EUR 7.2 million (previous year: EUR 6.4 million) on the balance sheet date and thus ended

up above previous year's value. This development stems from the capital expenditure incurred during the fiscal year for drilling projects due to commence in 2026.

The unfinished services and advance payments, valued according to commercial prudence, reached a total value of EUR 39.6 million (previous year: EUR 27.3 million) on the balance sheet date, which was offset by advance payments received totalling EUR 38.9 million (previous year: EUR 26.4 million), which were deducted from the unfinished services. This mainly relates to instalment payments for services provided within the framework of the contractual agreements with customers as well as advance payments.

Finished goods and merchandise totalled EUR 0.8 million after depreciation of roughly EUR 0.4 million. This relates to merchandise from the subsidiary D&S Geothermie GmbH.

Trade receivables were significantly above previous year's level and amounted to approximately EUR 6.7 million (previous year: EUR 4.5 million) on the reporting date. The Management Board regards the overall default risk on these customer receivables as very low, because they are distributed across numerous creditworthy customers. Where necessary from a commercial due diligence perspective, value adjustments were made appropriately.

Other assets amounted to EUR 4.8 million (previous year: EUR 4.8 million). This balance sheet item includes, for example, a loan to a Daldrup Group company amounting

to EUR 2.4 million (previous year: EUR 2.3 million).

Liquid funds increased slightly to EUR 13.0 million (previous year: EUR 6.4 million) and exceeded previous year's figure by approximately EUR 6.6 million.

On the liabilities side of the balance sheet, Daldrup & Söhne AG's equity increased to a total of EUR 30.4 million as at 31 December 2025 (previous year: EUR 23.5 million). The equity ratio on the balance sheet date of 31/12/2025 amounts to a comfortable 65.3 % (previous year: 68.8 %) of the balance sheet total.

Other provisions rose to EUR 3.5 million (previous year: EUR 1.9 million). This was primarily attributable to the creation of provisions for outstanding invoices amounting to around EUR 1.6 million during the reporting year. Further details can be found in the schedule of provisions in the annex.

There are liabilities totalling EUR 12.2 million (previous year: EUR 8.5 million). Due to active investments, liabilities to banks increased to EUR 4.4 million (previous year: EUR 1.6 million). No overdraft facilities were utilised as at the balance sheet date. Medium-term financing in connection with the acquisition of necessary operating and office equipment totalling around EUR 3.4 million was drawn down. Trade payables increased to EUR 4.5 million (previous year: EUR 3.5 million). At EUR 3.3 million (previous year: EUR 3.4 million), other liabilities were on par with the previous year.

3. FINANCIAL POSITION

The cash flow statement can be found in the appendices to this group management report.

Extensive preparatory work for large drilling projects in the deep geothermal energy business segment regularly require high upfront monetary advance payments from the Daldrup & Söhne AG. In order to finance these requirements for operating equipment, to absorb liquidity peaks and guarantee items, on the balance sheet date, operating equipment, project financing lines and medium-term financing from German banks and insurance companies totalling EUR 26.6 million was available.

The group's solvency was continuously monitored and updated and was secured during fiscal year 2025 under careful consideration of the forecasts and the contractual agreements with banks and suppliers. The main focus here was on the liquidity of Daldrup & Söhne AG. Overall, the liquidity-related balance sheet items as at the balance sheet date on 31 December 2025 – consisting of contractually agreed trade receivables of EUR 6.7 million (previous year: EUR 4.5 million) and liquid funds of EUR 13.0 million (previous year: EUR 6.4 million) – amounted to EUR 19.7 million (previous year: EUR 10.9 million) as at the reporting date. They were offset by trade liabilities of EUR 4.5 million (previous year: EUR 3.5 million), which

have short-term due dates. The total aforementioned highly liquid assets amounting to EUR 19.7 million (previous year: EUR 10.9 million), minus trade liabilities of EUR 4.5 million (previous year: EUR - 3.5 million), which generally have short-term due dates, amounted to a clearly positive balance of EUR 15.2 million (previous year: EUR 7.4 million) as at the reporting date on 31 December 2025.

The Daldrup Group will process the acquired orders as planned in fiscal year 2026. The very good group-wide order backlog of approximately EUR 120.0 million (previous year: EUR 31.0 million) as at the end of March 2026 will utilise capacities arithmetically well into 2027. Considering these orders and the forecasts, the company expects regular sales revenues and easily plannable cash inflows from the deep geothermal energy segment and the general drilling business if they are processed according to plan. Based on this expectation and the explanations in 'Financing risks', the solvency of the group is also secured beyond fiscal year 2026.

Ambitious plans are also in place for fiscal year 2026. They do not appear to be at risk to date, despite the generally weak or only slightly positive performance in Germany and the economic environment in Europe, which has been dampened by geopolitical uncertainties. Since rising prices cannot always be passed on to customers, there is a risk of margin losses. Further risks cannot be ruled out according

to the risk / opportunity profile. However, despite the ongoing inflationary pressures, we currently do not anticipate higher interest expenses for the company. The recruitment of skilled workers proceeded successfully in 2025; however, the ongoing skills gap continues to demand strategic action.



4. OVERALL STATEMENT ON THE ECONOMIC SITUATION OF DALDRUP GROUP

Several factors put the Daldrup group in an overall satisfactory economic position as at the reporting date: the strong capacity utilisation of all of the group's business units, the discussions with domestic and foreign private, public and institutional clients, which indicate a high level of interest with regard to geothermal and special drilling, as well as the wells drilled during the reporting period. The group's core business was gradually reinforced by investing in technical innovations and expansions in the equipment fleet.

The debt was reduced as planned. The high equity ratio and the good cash flow situation enable targeted investments in operating and office equipment to boost the core business, to further reduce rented equipment and to continue to expand the pool of skilled workers.

However, higher energy prices and general cost increases on construction sites for materials (such as steel, cement and grouting materials) as well as utilities (such as electricity and diesel) have kept operating costs at the same high level over the course of the reporting year. Accordingly, logistics expenses also remained at a high level. We were

able to pass on part of this cost increase to our clients. The framework conditions for the renewable energy market in the electricity and heat sectors are being gradually improved by the German government and the EU. However, short-term budget recalibrations for the Climate and Transformation Fund (Klima- und Transformationsfonds; hereinafter KTF), as well as delays in funding commitments in 2025, have led to a temporary decline in investment appetite and uncertainty in the renewable energy market within the electricity and heating sectors. For fiscal year 2025, the KTF's business plan projected spending of roughly EUR 25.5 billion, whilst expenditure of approximately EUR 33.1 billion is planned for 2026. The KTF is a key instrument of the German Federal Government to promote the energy transition, renewable energy and climate-related transformation in Germany.

The Management Board is convinced that the heating transformation in particular, which still needs to be realised, continues to offer a promising market environment with good growth prospects for the Daldrup Group. The proposed infrastructure projects also offer further potential for new contracts. For instance, the special funds established by the EU and Germany for infrastructure investment and the expansion of renewable energy are expected to make a significant contribution once the specific funding

conditions have been finalised. Under these conditions, the unchanged high interest of municipalities, companies and financial investors in geothermal heating and power plant projects should continue. The Group therefore plans to capitalise on this growth potential by expanding its drilling capacity and drilling crews. Furthermore, in addition to Geothermal Energy, the Raw Materials and Exploration and EDS business units are operating at full capacity, leveraging the Group's specialised drilling expertise to perform a wide range of research, exploration and specialised drilling operations. As at March 2026, Daldrup group's order backlog for geothermal energy projects in Germany and other European countries remains at a satisfactory level of around EUR 120 million. The Management Board also remains confident about the market volume of around EUR 380 million relevant for Daldrup, which is assessed with probabilities of occurrence.

In summary, the business development and the result of the group continued to be positively impacted by the good capacity utilisation, the regulatory environment and the partly high energy price level in the target markets of Germany, Switzerland and the Benelux countries as well as the social environment. Therefore, the Management Board continues to assess the economic development as overall satisfactory based on the economic environment.

C. RISK AND OPPORTUNITIES REPORT

The deliberate and controlled management of opportunities and risks is a key element of corporate management within the Daldrup Group. In addition, we regularly validate the opportunities and risk system with an increase in the complexity and volatility of the world economy and adapt it to the changed economic environment.

As of the balance sheet date and at the creation time of the management report, the following risks were identified, under consideration of the existing management and control tools. They are presented in descending order of importance.

The risk system, the risk environment and potential threats to the Daldrup Group are currently, but not conclusively, as follows:

1. Strategic Risks

Rapidly changing, more volatile markets, price risks depending on the economic development of the oil and gas industry, geopolitical uncertainties and wars, material and supply bottlenecks and latent shortages of qualified skilled workers are leading to a trend of the risks of the Daldrup Group's business model increasing in the previous fiscal years. The regional focus of business activities on the DACH and Benelux regions and the relatively low sensitivity to the economic cycles of Daldrup's business model, primarily in the area of public services, minimise the risk exposure.

Equity investments and joint ventures may, as a result of misdirected investments and misjudgement of opportunities and risks, have a very negative, integration-related impact on the net assets, financial position and earnings situation of Daldrup & Söhne AG or its subsidiaries. Careful and detailed audits in advance of such commitments are designed to minimise these commercial risks. Although the sale of the Geysir Europe Group significantly reduced these risks overall in 2019 and 2020 and balance sheet impairments were recognised, there are still residual risks regarding the recoverability of the subordinated loans and purchase price receivables. From today's perspective, however, these risks are manageable. The Daldrup Group will only commit to equity investments after extensive due diligence and if they are aligned with its own SME profile. The financial obligations required for these types of investments as part of the company's own financial structure must be controllable based on commercial prudence.

The Company's Management Board and local management are working on the completion of the drilling contracts, doing so in part with the support of experienced geothermal consultants and suppliers. Projects based on turnkey contracts are only carried out by Daldrup in exceptional cases where the scope of work is low-risk.

2. Operational risks

The occurrence of operational risks sometimes leads to significant delays in order processing and in exceptional cases may lead to abrupt but contractually induced termination of the order. The risks that occur will then also lead directly to a significant change in payment flows and fiscal performance parameters. There are essentially five threat or risk areas that may be associated with deep boreholes of the reporting company and the Group's project business:

➤ Subsoil risk

The subsoil risk, i.e. the risk of known and unforeseeable effects and difficulties originating from the subsoil (all underground, geological risks), is in (legal) building practice regulated in the contracts between the parties. This is generally within the sphere of responsibility of the client. Daldrup & Söhne AG as well as its subsidiaries as the contractor in drilling contracts bears the risk for technical drilling operations. In the deep wells drilled by Daldrup, this risk can generally be mitigated through project-related insurance. Within the framework of independent supervision with trained / certified personnel, the use of modern drilling technology and close cooperation with the relevant specialist authorities and third-party monitors, the Daldrup group takes active risk prevention measures in practice.

For openly discernible risks Daldrup fulfils its duties to examine, notify and perform due diligence. Additional security is achieved by sub-contracting complex planning and engineering services to correspondingly qualified and insured service providers.

► Ordinary operating risks

The operational and environmental liability risk and the machine breakage and operational disruption risk can be insured within the framework of careful evaluation of cost / benefit analyses. The group is covered for personal injury, material and environmental damage through the business and product liability insurance taken out with a reputable insurance company.

Separate machine insurance (including lost-in-hole) secures potential damage to deep drilling plants as well as to all peripheral machines and devices on a first-loss basis. The risk of business interruption due to damage can be insured normally. Blowout risks are, in principle, to be assigned to the subsoil risk, but can also be covered, in individual cases, via increased cover as part of business liability insurance.

The best insurance against blowouts is the deployment of highly trained drilling personnel as well as the use of modern and functional blowout preventers, which are

regularly used by Daldrup. In the view of the Management Board, and based on annual strategic discussions with our industrial insurance partner, no special risk areas exist beyond the scope of normal business liability risks. Using a rigorous and certified quality and safety concept to avoid risk and damage is accorded high importance in the operational business of the Daldrup Group. The existing insurance policies and their cover are reviewed during the course of annual strategic discussions and adjusted where necessary.

► Unsuccessful exploration

Special policies issued by insurance consortia cover the risk of loss to be insured by the client in the event that a deep borehole fails. The discovery factors here are clearly defined by the fill quantity, temperature and reduction of rest water level. In assessing the insurance risk, the insurability and the level of premiums for a project, the experience and references of the drilling company commissioned and the likelihood of a strike as confirmed by external reports all play a critical role. Geothermal projects planned, drilled and implemented by the Daldrup Group have regularly been and remain at the present time commercially insurable. Although insurance concepts cannot eliminate time delays in the event of non-discovery and its financial effects for Daldrup & Söhne AG, it reduces the exploration risk for our customers, contributing to better implementa-

tion potential of deep geothermal energy projects and thus significantly supports customer acquisition in this niche. Whether to take out appropriate insurance cover or to bear the risk themselves is at the discretion of the respective project sponsor.

With its 'Geothermal Energy Master Plan', unveiled in 2024, the federal state of North Rhine-Westphalia has launched measures to accelerate the expansion of geothermal energy. This programme also introduced a funding guideline to partially hedge the risk of failing to find geothermal resources during drilling. This policy is being implemented in collaboration with NRW-Bank.^{42 43}

⁴² Ministry of Economic Affairs, Industry, Climate Protection and Energy of the State of North Rhine-Westphalia, NRW Geothermal Energy Master Plan, April 2024, p. 12f; https://www.wirtschaft.nrw/system/files/media/document/file/masterplan_geothermie_langfassung.pdf, retrieved on 15 March 2026

⁴³ NRW.BANK: North Rhine-Westphalia supports the development of deep geothermal sources, <https://www.nrwbank.de/de/info-und-service/presseinformationen/2024/geothermiefonds.html>, retrieved on 15 March 2026

Jointly with the Federal Ministry for Economic Affairs and Energy and Munich Re, KfW launched the KfW promotional loan 'Geothermal Energy with Exploration Risk Insurance' (Programme 572) on 18 December 2025. The programme combines low-interest loans to finance deep geothermal drilling with protection against the geological risk of failing to find a suitable deposit. Following a technical project assessment, Munich Re assumes partial risk coverage of the loan amount, whilst KfW grants a full or partial debt write-off for the remaining portion in the event of a claim. This programme can boost the willingness and financial capacity of many municipal utilities and local authorities to undertake geothermal energy projects, including within the framework of municipal heating planning.

Daldrup does not bear any exploration risks. However, the project is terminated if a suitable site cannot be located or if development proves financially unfeasible.

➤ Procurement risks

The varying procurement of plant technology, raw materials, consumables and supplies depending on the commissioned scope of drilling and the sometimes extensive procurement of third-party services have thus far not negatively affected Daldrup Group's service process. Despite the current level of consolidation observed in the oil and gas segment, there are sufficient contractor

and supplier structures with satisfactory purchasing conditions and qualities in all business units, which are subject to regular monitoring by the quality management system. Risk-oriented supplier management strives to reduce procurement risks or stabilise them at the lowest possible level by diversifying our business partners and exploring new suppliers and service providers. However, some parts of the service chain are dependent on suppliers.

Macroeconomic developments and geopolitical tensions can generally lead to disruptions in international supply chains, trade restrictions or rising prices for energy, fuels and raw materials. Price increases, particularly for energy and fuels, can affect the cost structure of drilling projects. Where contractually permitted, associated cost increases are passed through to customers or clients under project-specific agreements.

Potential disruptions or interruptions to international supply chains could also lead to delays in the procurement of spare parts or installation materials. To mitigate this risk, Daldrup maintains a geographically diversified supplier base for each service sector and continuously monitors its procurement markets. From the company's perspective, there is currently no significant dependence on individual suppliers or supply regions.

➤ Approval risks

Every extraction plant and well for the exploration and extraction of natural resources, whether for geothermal energy, water procurement or raw materials exploration, is subject to comprehensive preliminary approval procedures carried out by the competent supervisory authorities. The approval of the various boreholes and extraction plants, such as building and operating a heating plant, is subject to the provisions of the German Federal Mining Act (Bundesberggesetz, BBergG), the German Federal Excavation Act (Abgrabungsgesetz), the requirements of the German Federal Water Act (Wasserhaushaltsgesetz, WHG) and state water laws and building regulations.

The requirements imposed on Daldrup Group are increasing, and must therefore be updated, and regular consultations held with the regional authorities, state offices of geology and mining, and the water authorities.

Corresponding approval processes may be more complex and long-winded than expected and significantly delay projects, thus leading to downtime costs for the group. With decades of work undertaken in these known segments in dealing with the approval procedures and the authorities, the Daldrup Group is well-versed in the requirements specifications for the approval documents. Continuous dialogue with the different authorities across the entire project phase and close, solutions-oriented coordination help us to achieve a quick and acceptable consensus and avoid lengthy delays.

The Geothermal Energy Acceleration Act, passed in December 2025, may help alleviate the approval risks described above. Amongst other things, it contains provisions to simplify and accelerate planning and approval procedures for geothermal power plants. At the same time, Section 4 of the Geothermal Energy Acceleration Act stipulates that the construction and operation of such plants are in the vital public interest until net greenhouse gas neutrality is achieved in 2045. For Daldrup, and for the company's customers and clients, this may contribute to shorter approval times and greater planning and investment certainty for projects of that nature.

3. General economic risks

▶ Competitive risks

New, lucrative and growing markets may attract additional market actors, for example from the oil and gas industry. The efforts of companies in related sectors to enter the geothermal energy market are distinctly visible in spite of high barriers to market entry. Technical expertise, a specialised, versatile drilling rig fleet and experienced, qualified drilling teams, numerous testimonials, the long-term reputation of the Daldrup & Söhne AG brand and its market position are key competitive advantages of the group.

The potential future utilisation of the Daldrup Group is evaluated and published via the key figure 'relevant market'. When evaluating this key figure, it must be taken into account that it is not based on concluded contracts with customers, but rather on weighted – albeit subjective – probabilities of occurrence with regard to potential order placement. These probabilities of occurrence can fluctuate greatly depending on the development of current discussions or may not apply at all if, for example, an order is awarded to a competitor.

Other risks include a decline in demand as a result of market changes, subsidy freezes or lost tenders, as well as the fact that changes in legislation could lead to project delays or postponements for our customers.

▶ Personnel Risks

The Daldrup Group employs key personnel across all divisions (project managers, engineers, experienced drilling rig operators, accounting staff) whose long-standing contacts or expertise are essential to the company's success. The loss of key employees (e.g. through poaching, illness, accident) could promptly, even if only temporarily, create gaps that could also have a negative impact on deadlines to be met. The latent shortage of certified skilled personnel for the operation of the extensive drilling rig fleet and in commercial divisions has eased somewhat compared to the previous year. With our own training and qualification measures and Europe-wide acquisition, we are striving to expand our qualified workforce and secure its long-term future. The personnel situation could limit the Group's planned growth path. Moreover, we are closely monitoring strategic holdings, acquisitions and joint ventures and assessing opportunities. Due to the special characteristics of the industry, recruitment is also subject to the risk that new employees may require longer familiarisation and qualification periods.

Additional areas of responsibility arise in the technical and commercial area, so information and communication channels as well as organisational and personnel resources must be permanently adapted to these requirements.

Financial Risks / Use of Financial Instruments

Foreign currency risks are avoided as much as possible by carrying out contract and price negotiations in euros. Currency / exchange rate hedging instruments as well as forward exchange contracts with term option and currency swaps are used for planned orders and procurements in foreign currencies. This relates to micro hedges. Daldrup & Söhne AG only conducts these derivative transactions if there is an underlying transaction to be hedged, and it does so exclusively with banks that have a very good credit rating. The effectiveness of the hedging relationships is ensured by using identical parameters ('critical terms') for the underlying transaction and the hedge. The hedging relationships are shown in the annual financial statement as valuation units. Despite the use of such financial instruments, negative effects cannot be completely avoided, including in conjunction with project postponements. Speculative interest, currency and / or raw material transactions did not take place in the financial year and are also not planned in line with the risk management system.

As at the balance sheet date, derivative financial instruments were held in Swiss francs to hedge exchange rate risks from the drilling business.

The tools usually used in international business to hedge reliability, payment and delivery risks using guarantees and letters of credit are deployed when required. In order

to limit damages due to failure to pay, wherever possible, guarantees are required on the part of our customers. The Daldrup Group counters payment risks in the area of supplier risks in particular by agreeing individual supplier payments. In terms of suppliers, a non-delivery can result in project delays and increased costs. Daldrup & Söhne AG tries to confront this risk with a generally broad choice of possible replacement suppliers and monitoring of critical components in the manufacturing process, including quality assurance measures and control of the manufacturing process.

In the context of the disposal of the Geysir Group, loans remain in the form of subordinated loans for many years via Daldrup & Söhne AG in the amount of approximately EUR 0.2 million (previous year: EUR 0.4 million). In the reporting year, the subordinated loan to Geysir Europe GmbH was fully impaired due to the fact that the Taufkirchen power plant is not yet in regular operation. Due to the shareholder change of geox GmbH, the subordinated claim remains in the books of Daldrup & Söhne AG in accordance with the known valuation scheme. There is a risk that the remaining subordinated loan or the purchase price loan of EUR 1.6 million may not be repaid in full or at all. If this leads to any potential value adjustments, they could have a negative impact on the business results of the Daldrup companies or the Daldrup Group.

Within the framework of the Geysir sale, the subsidiary D&S Geothermie GmbH also received ownership of parts of the former technology components of the Taufkirchen power station as purchase price components. These technology components were appraised by an expert. Additional discounts were applied to these appraised values, e.g. for recycling and transport. Following a partial sale in 2026, the remaining power plant components were depreciated to a value of EUR 0.8 million in the reporting year. Taking the values determined by the Management Board into account, there is a risk that the values determined by the experts will not be achieved, that the sale will take longer or that further, possibly significant depreciations on these current assets may be necessary in the future.

The almost regularly recurring discussion about the creditworthiness of individual credit institutions or countries in the Eurozone, as well as the effects of future pandemics, could lead to a significantly limited willingness of credit institutions to provide financing, similar to the sovereign debt and financial crisis in the years 2007 to 2009. This scenario would make it difficult or impossible to realise numerous geothermal projects that are ready for drilling, as they would then increasingly compete with higher interest rate investment forms again. The aforementioned risks could result in obstacles to the growth of the geothermal market up to its collapse – even if only temporarily.

4. Technological Risks

The drilling technology used is state of the art and is not subject to rapid technological change, meaning therefore that there is no specific risk potential. Networked technologies or artificial intelligence still play a subordinate role in operational drilling.

Although Daldrup Group's IT systems do represent the current state of the art and security measures were taken to prevent unauthorised access or damage by malware and are updated on an ongoing basis, IT can generally be an external attack point. Further regular data backups are carried out. When it comes to technical updates and the planned expansion of internal IT systems, we are supported by external specialists who adapt the security of the systems to the requirements.

Efficiency-enhancing IT projects were initiated in 2022. The new systems were successfully put into operation on 1 April 2025 with extensive support from an IT system supplier. These systems are a necessary intermediate step towards utilising artificial intelligence in the future.

5. Legal Risks

Legal disputes may arise due to the payment process and within the framework of guarantees, as well as in the framework of generally existing contracts. Different expect-

tations or interpretations of project contracts may result in legal disputes. These disputes can also be settled without legal advice. In some matters, court proceedings cannot be avoided to legitimately protect the interests of the Daldrup Group. Regardless of the nature of any settlement of legal disputes, external specialist lawyers are entrusted with the task of representing the interests of the Daldrup Group.

In active processes there is a risk that claims brought before the court will not be enforceable and value adjustments would thus be required.

The contract management is organised in such a way that there is a balanced distribution of opportunities and risks for Daldrup & Söhne AG as a result of integrating legal, technical and commercial activities. The current order backlog is subject to these perspectives from contract management.

Citizens' initiatives and petitions relating to the approval of geothermal projects are declining significantly. But opponents to technology can also influence policies. This can be disadvantageous during the licensing procedure and can result in having to approach the courts, which will clearly delay drilling contracts and entire projects.

Overall, Daldrup & Söhne AG and its subsidiaries are regularly involved in court proceedings and official proceedings as the defendant or another party. Due to the increasing willingness to take legal action, the legal risks also tend to increase for Daldrup & Söhne AG or its group companies. Besides regular minor litigation risks, Daldrup & Söhne AG is being sued in two notable cases and is defending itself in these proceedings. Daldrup cannot conclusively estimate the outcome of these proceedings. From today's perspective, the circumstances giving rise to a claim in these proceedings, which are material for Daldrup, have not been proven or have not been proven sufficiently, which is why the Management Board continues to rate a successful claim as unlikely. An unfavourable outcome in one or both proceedings could have a massive impact on the economic parameters of Daldrup & Söhne AG or its subsidiaries. Daldrup is represented by renowned law firms here. Provisions for occurring legal costs have been built up.

The Company has taken out D&O insurance for the Management Board, the Supervisory Board and the Managing Directors of legally independent subsidiaries and adjusted the sum insured in fiscal year 2025 in line with the approach taken by many companies in order to be able to take recourse if necessary in the event of violations of German stock exchange regulations or other violations.

6. Regulatory and Political Risks

The companies of the Daldrup Group are exposed to political and regulatory changes in many countries and markets.

The trend towards the active promotion of renewable energies that began in the year 2000 is subject to fluctuations depending on the country and political leaning of the governments as well as changes determined by the legislation of the respective government. Economic risks and new political power structures can also influence priorities.

The uncertainty and complexities inherent in the legal provisions for the promotion of geothermal drilling projects and geothermal power plants and heating plants, as well as changes or significant curtailments to subsidies for generating electricity and supplying heat from geothermal energy can have a negative bearing on the profitability of geothermal projects and delay or freeze investments or make them obsolete.

Moreover, the campaigns and citizens' initiatives against geothermal energy projects can delay or endanger project development and approval procedures and deter investors. To mitigate this risk, Daldrup & Söhne AG uses preventive tools, such as close communication with political

decision-makers, alongside active measures such as participation in public hearings, public presentation of projects and discussions with the media to broaden awareness of the advantages of geothermal energy. Diversification of regional sales markets serves to mitigate potential negative effects. The Daldrup Group operates regularly in Germany as well as the Netherlands, Belgium and Switzerland, and possibly in Austria and Italy in the future. All of them have very different subsidy regulations. In the Netherlands, geothermal as a thermal energy is already in a position to compete with conventional energy sources without the need for subsidies. Legal changes always present the risk of advantages for the company. These changes may also result in shifts in demand for geothermal wells in other countries too.

Furthermore, there is a risk that the political or regulatory framework, which currently favours the expansion of geothermal energy, may be amended, restricted or completely abolished in the future. Such a development could worsen the economic environment for geothermal energy projects and consequently have a negative impact on demand for geothermal drilling services.

The destabilisation of political systems, wars or geopolitical crises can lead to tensions and negative economic effects in the form of significant price increases for primary fossil energy sources and goods of all kinds. The sanctioned movement of goods and money can also cause shortages. It cannot be ruled out that the sites of Daldrup & Söhne AG and the drilling locations in Germany and European countries may be affected.

Since the turn of the year 2024 / 2025, trade policy measures have been heavily debated in the US. Some of them have already led to the imposition of additional tariffs on goods from the EU. Such US tariffs could, in turn, potentially lead to the EU imposing tariffs on goods imported from the US. The EU has devised and formally adopted corresponding countermeasures but has suspended them for the time being as part of a political agreement with the US to stabilise transatlantic trade relations in July / August 2025. With that in mind, there is a possibility that the EU may impose tariffs on certain US products in the future. Daldrup & Söhne AG would mainly be affected by this in the areas of special drilling equipment. However, as all US suppliers relevant to the Daldrup Group operate independent branches in the EU, the Management Board still considers the risk of higher customs duties to be low.

Diversification of regional sales markets and concentration of procurement on the DACH region and the Benelux countries as well as procurement redundancies serve to mitigate potential negative effects. The measures and experience gained during the coronavirus pandemic and related to the effects of Russia's war against Ukraine have shown that the Daldrup Group's organisation in this regard is fundamentally highly resilient.

7. Forecasting risks / Macroeconomic and geopolitical risks

Geopolitical conflicts and international tensions can lead to significant market disruptions. Since February 2022, Russia's war against Ukraine has completely disrupted the geopolitical landscape. It is difficult to anticipate the full trajectory and implications of these developments. At the same time, it is becoming apparent that new challenges and opportunities are emerging from this situation regarding the EU's import independence from fossil primary energy sources and energy sovereignty in the context of the energy transition.

Besides Russia's war against Ukraine, other geopolitical crises or armed conflicts of strategic significance for energy and raw materials markets could also have potentially

noticeable to significant effects on the markets relevant to Daldrup & Söhne AG, especially on energy prices, supply chains and the availability of raw materials. The level of the forecast risk correlates with the impact of geopolitical conflicts in the markets relevant to Daldrup, as well as with the resulting measures affecting international trade in goods and financial transactions, and the supply of raw materials. Any resulting order delays or significant price changes generally also lead to a shift in cash flows and changes in financial performance indicators.

8. Financing risks / risks to the company's continued existence

With the banks and emergency guarantee lenders with long-standing business connections to Daldrup & Söhne AG, in May 2020 a comprehensive agreement to ensure bilateral granted operating equipment credit lines for current account and guarantee credits was concluded. The agreement includes a flexibility clause relating to any project finance lines which become necessary in the future, which can be secured by respective securities individual to the project, including outside the agreement. Furthermore, borrowing continued throughout 2025 to finance the Group's balance sheet assets.

An increasing risk situation and higher interest rates would also raise the risk that individual or several of our long-standing financing partners will no longer be available to us in the same way and to the usual extent with project financing, overdraft facilities and, especially in the project-related business, guarantee facilities that are sometimes widely needed. Currently, there is an overall reluctance to grant loans across all bank groups in Germany. Credit lines that are not granted or not maintained by the banks can make it difficult or impossible to complete entire projects. They can jeopardise planned growth or even lead to financing problems for Daldrup & Söhne AG. Moreover, they can have a massive impact on the economic parameters of Daldrup & Söhne AG and the Group itself. Daldrup & Söhne AG is striving to counter this risk by approaching potential lenders (including new ones) in a timely manner, providing satisfactory information in advance of credit decisions and concluding the aforementioned loan agreements. With regard to working capital, the company finances its own operations through standard short-term bank loans in the form of bilateral credit line agreements, overdraft facilities or guarantee credit agreements with fixed credit limits, which are generally granted as 'financing until further notice'.

An Independent Business Review (IBR) prepared by an external auditing firm was last updated in May 2024. Once all measures had been implemented, the company was released from the restructuring process. The business relationships with the group of financiers will be continued, with one exception. The remaining financiers have submitted their commitment to the back office.

The release from the reorganisation process and the elimination of the associated going concern risk offers Daldrup & Söhne AG the opportunity to conclude new financing for investments in the equipment pool and to expand business operations. More favourable conditions can also be negotiated with the financiers for new credit financing, which has a positive effect on the company's interest burden.

9. Opportunities

Geothermal energy is becoming increasingly important in Germany, Europe and globally in electricity and heat production in the context of renewable energy sources. The advantages include an inexhaustible, renewable resource, the ability to provide base load power, low greenhouse gas emissions and decentralised energy generation in the region where the energy is consumed.

Specifically in Germany, geothermal energy is promoted not only for electricity production, but also for heating and

cooling supply in high-rise buildings as well as for new building projects and for energy renovation. During the last few years in Germany the regulatory framework to promote the use of heat from renewable energy sources has continued to be extended and improved. Nevertheless, the renewable heat sector continues to face major challenges, which can probably only be addressed through a comprehensive set of measures comprising regulatory incentives and supporting investment grants. The central goal of the new German government from the climate protection programme of achieving almost climate-neutral existing buildings by 2045 will not contribute to the implementation of rapid and socially acceptable decarbonisation. With the Heat Planning Act, the Building Energy Act and the Federal Fund for Efficient Heating Networks, instruments and incentives have now been put in place to transition the building sector to renewable energy and thereby end the current dependence on fossil gas.

Overall, the multitude of legal regulations aimed at decarbonising the heat supply, combined with additional investment programmes at European and national level, point to structural growth in the market for renewable heating solutions in the coming years.

Lots of cities have now launched their own climate initiatives and are strengthening the efforts which are required.

In geologically suitable areas in southern and northern Germany, the importance of geothermal heat is increasing for the local and national heat supply. Withdrawing from coal energy will require replacement capacities for district heating, which geothermal energy can contribute to providing.

Several recent studies (Roadmap for Near-Surface Geothermal Energy, Roadmap for Deep Geothermal Energy, Metastudy on the National Geothermal Energy Strategy, District Heating Supply by Using Low-Temperature Heat Sources Using Deep Geothermal Resources as an Example) by German research institutions make it clear that geothermal energy has the potential to cover a large part of Germany's heat demand. The joint roadmap drafted by researchers from the Fraunhofer Society and the Helmholtz Association shows that hydrothermal geothermal energy (possibly combined with large-scale heat pumps) as a heat source for district heating networks could cover around a quarter of Germany's total heat demand, i.e. around 300 terawatt hours of annual output with 70 gigawatts of installed capacity.⁴⁴

⁴⁴ ROADMAP FOR DEEP GEOTHERMAL ENERGY IN GERMANY, Bracke, R.; Huenges, E; February 2022, <https://publica.fraunhofer.de/entities/publication/dc4a0733-2c1e-45ea-9600-0056ec82a0c0>, https://www.geothermie.de/fileadmin/user_upload/Verband/Politische_Position/Roadmap_Tiefe_Geothermie_in_Deutschland_FhG_HGF_02022022.pdf

In its key issues paper 'Geothermal Energy for the Heat Transition'⁴⁵, published in November 2022, the Federal Ministry for Economic Affairs and Climate Action (Bundesministerium für Wirtschaft und Klimaschutz; BMWK) announced measures to accelerate the development of geothermal potential and facilitate investments. The goal is to decarbonise at least half of the heat that is currently still generated from natural gas, oil and coal (over 75 %) by 2030. The need to replace imported natural gas is correspondingly high.

In this context, various measures have now been launched to improve the framework conditions for geothermal energy projects. For instance, in December 2025, the German Bundestag passed the Geothermal Energy Acceleration Act, which is intended to simplify and speed up planning and approval procedures for geothermal energy projects.

Furthermore, to improve investment conditions for geothermal energy projects, a government-sponsored financing and hedging instrument has been introduced to reduce the exploration risk associated with deep geothermal drilling.

The KfW Geothermal Energy Promotional Loan (programme number 572) has been available for this purpose since 18 December 2025. This instrument combines long-term KfW financing with an insurance solution to cover unsuccessful drilling operations, thereby improving the financing conditions for geothermal energy projects. This can lead to improved framework conditions for investment in deep geothermal energy projects, as a significant project-specific risk is reduced.

⁴⁵ Geothermal energy for the heating transition – BMWK launches consultation process, <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2022/11/20221111-geothermie-fuer-die-waermewende.html>, 11 November 2022

REGULATORY FRAMEWORK FOR GEOTHERMAL ENERGY



At European level, the European Commission presented the 'Clean Industrial Deal' in February 2025. The primary objective is to boost the competitiveness of European industry whilst advancing low-carbon industrial value chains. Measures in this regard include promoting investment in climate-friendly technologies and simplifying regulatory procedures. Furthermore, the Net-Zero Industry Act (NZIA) aims to expand production capacity for clean technologies in Europe, thereby supporting decarbonisation and reducing dependence on fossil primary energy sources.

At national level in Germany, additional investment programmes have been approved to upgrade the infrastructure and support the energy transition. This unlocks great potential for the Daldrup Group in the geothermal sector and in other business segments through drilling services in connection with infrastructure, construction and refurbishment projects.

With over 70 successful deep geothermal wells, the company is one of the most experienced players in the Central European market. The Raw Materials & Exploration and EDS business units are also well positioned for infrastructure projects, with several reference projects and well-established customer relationships. The medium-sized struc-

tures and its well-trained employees also provide a high level of flexibility and solution expertise for customer projects and the respective geological formations at significant depths. Despite the aforementioned risks, some of which are increasing, Daldrup continues to anticipate favourable conditions and rising demand for drilling services for the construction of geothermal heating and power plants.

For the Daldrup Group, new opportunities in the market may arise in the current economic and political situation from the continuing good order situation and order processing as well as the long-standing transparency provided by the stock exchange listing and the established market position in Central Europe as a reliable partner.

10. Overall Statement on the Risk and Opportunity Situation

Despite the comments in the section 'Financing Risks / Risks To the Company's Continued Existence', the management is focused on organisational and financial stability through carefully considered risk-taking and by identifying business opportunities, facilitating rapid action and demonstrating a willingness to adapt plans. At present there are no risks to the continued existence of the Company. The commercial opportunities available far outweigh the potential risks.



D. FORECAST REPORT

1. Future Corporate Strategy

The core business of the Daldrup Group consists of the exploration and utilisation of geothermal energy, as well as the provision of high-quality drilling services for the water, raw materials and environmental services sectors.

We see substantial, structural growth opportunities specifically within the heating market in Central Europe due to the urgent need to decarbonise heat generation combined with the significantly improved regulatory framework in Germany from the end of 2025 onwards. This applies to a similar extent to two other business segments: With the special fund for infrastructure measures in Germany, approved by the Bundestag in March 2025, there may be a significant increase in demand for drilling to prepare for construction projects for rail, road and bridge building.

As things stand today, a market for deep exploration to identify sites for nuclear waste repositories is expected to emerge in Germany in 2028. In recent years, Daldrup has already drilled several specialised wells with very demanding requirements on behalf of the relevant authorities. In the coming years, the Daldrup Group's operational focus will therefore mainly be on the Deep Geothermal Energy

and Raw Materials & Exploration segments. However, we also consider the prospects for water technology with traditional well construction and services for old mining as well as the exploration of raw materials and deposits to be at least satisfactory. The company will continue with its regional focus on the DACH region and the Benelux countries. Its goal is to strengthen its national and European market position as a full-service provider for medium-sized geothermal energy projects and drilling services in various application areas and to increase its earning power.

This development requires continuous expansion of the Group's internal structures as well as the control and monitoring mechanisms. The organisational structure in the group, order controlling, management, risk recognition and reporting tools as well as the bases of the business model were subsequently adapted in view of the requirements of the business model and with sound judgement. This is the foundation for preparing the Group to remain reliable and competitive in the years ahead. The necessary personnel and organisational adjustments in this regard relate not only to the area of finance and controlling, but also to the business organisation and staffing of the ongoing drilling operations.

Despite the consequences of Russia's war against Ukraine, which cannot be conclusively assessed, and a generally tense geopolitical situation, the Management Board of Daldrup & Söhne AG expects significant demand for drilling contracts in the coming quarters, especially for geothermal heating projects. On the customer side, there is likely to be continued strong interest from local authorities, municipal utilities and industrial companies in geothermal power and heating plant projects.

2. FUTURE ECONOMIC ENVIRONMENT

Modest economic growth constrained by geopolitical risks

The global economy continues to be disrupted by geopolitical uncertainties. Most notably, tensions in the Middle East have recently contributed to increased volatility in international energy markets. According to the International Monetary Fund (IMF), these developments are leading to a slowdown in global economic momentum due to higher costs in international trade and the resulting inflationary effects. Against this backdrop, the IMF expects more moderate global growth in 2026 alongside persistent inflation.⁴⁶

⁴⁶ IMF (2026): World Economic Outlook, April 2026, Washington D.C.

Moreover, the systemic instability in global markets stemming from resurgent protectionism and economic isolationism of individual economies could disrupt world trade and supply chains.⁴⁷

In the eurozone, the economic environment also remains subdued in light of geopolitical uncertainties. Economic progress remains constrained by elevated energy costs and their associated inflationary pressures.⁴⁸

Accordingly, only moderate economic growth is expected for the eurozone.^{49 50}

According to the ifo Institute's assessment, the German economy is set to experience generally weak, yet slightly positive, economic growth in fiscal year 2026. Real growth of around 0.6 % is forecast for 2026 and roughly 0.9 % for 2027. All things considered, economic growth therefore remains subdued. Economic activity continues to be predominantly driven by the domestic economy, whilst industry and foreign trade provide only limited impetus for growth.⁵¹

Export-driven manufacturing continues to face headwinds amid subdued international demand for industrial products and geopolitical uncertainties. Furthermore, the Kiel Institute for the World Economy (IfW Kiel) points to increased downside risks to the economy⁵², which primarily stem from rising energy prices in the wake of geopolitical developments. This threatens to further erode market confidence and stability.

Assessments by the IfW indicate that government spending injections, specifically targeting infrastructure and defence, could have a stabilising effect on economic development. At the same time, the economic recovery is not yet considered to be fully self-sustaining, whilst investment activity continues to develop modestly despite initial signs of recovery.⁵³

Energy prices are exerting a disproportionate financial strain on energy-intensive sectors and are raising cost and inflationary pressures.

Consequently, economic growth is expected to remain sluggish and subject to heightened uncertainties over the remainder of the year. Future developments will mainly depend on the course of geopolitical tensions and on trends in energy prices.

⁴⁷ OECD (2026): Economic Outlook, Spring 2026; WTO (2026): Reports on global trade developments and fragmentation trends
⁴⁸ International Monetary Fund (2026): World Economic Outlook – April 2026, published on 14 April 2026, Washington, D.C., 'Europe' chapter

⁴⁹ International Monetary Fund (2026): World Economic Outlook – April 2026, published on 14 April 2026, Washington, D.C.

⁵⁰ European Central Bank (2026): Economic Bulletin, April 2026, Frankfurt am Main and Organisation for Economic Cooperation and Development (2026): Interim Economic Outlook, March 2026, Paris

⁵¹ ifo Institute (2026): Joint Economic Assessment, Spring 2026 – Energy price shock overshadows fiscal stimulus, Munich, April 2026.

⁵² Kiel Institute for the World Economy (IfW Kiel) (2026): Economic assessments and risk warnings for the German economy, April 2026.

⁵³ Kiel Institute for the World Economy (IfW Kiel) (2026): Economic and risk assessments, April 2026.

Regulatory reforms are boosting growth momentum

Under the Heat Planning and Decarbonisation of Heating Networks Act, which has been in force since 1 January 2024, local authorities and municipal utilities are continuing to work on assessing the potential of geothermal heat and drafting statutory decarbonisation roadmaps. Many local authorities are currently in the planning and approval stages for specific geothermal heating projects. In several regions, drilling for geothermal projects had already taken place by 2025.

Existing heating networks are expected to be supplied by at least 30 % renewable energy or waste heat by 2030, and by at least 80 % by 2040. The target of 65 % renewables applies to new heating networks, with geothermal energy recognised as a fulfilment option (65 % renewable energy). Private clients from the industry are also beginning to harness the potential of geothermal heat for heating or process heat. For all stakeholders, reducing dependence on natural gas, mitigating high energy prices and accelerating decarbonisation are at the forefront of investment decisions. These developments are supported by existing legislation and funding programmes, such as the Federal Fund for Efficient Heating Networks and the KfW grants under the German Building Energy Act.

In the key issues paper⁵⁴ presented in November 2022, the BMWK considers geothermal energy a pivotal solution for generating space heating, hot water and process heat in

a secure, economical and decentralised manner. Amendments to the German Building Code (Baugesetzbuch, BauGB) granted geothermal energy preferential status. The introduction of this preferential status for geothermal energy in November 2023 ensures equal treatment at the level of urban land-use planning and places geothermal energy on an equal footing with already established renewable energy sources.

Furthermore, suitable sites for geothermal projects are supposed to be designated through regional planning, which will be subject to simplified authorisation requirements. In addition, the special infrastructure fund of up to EUR 500 billion, approved by the German federal Government provides additional financing scope for long-term investments in Germany. It facilitates the revitalisation of traditional infrastructure, such as transport networks and bridge construction, and the expansion of energy and climate infrastructure. This fund also indirectly promotes measures for the heating transition, for example through the expansion of district heating networks, the implementation of energy-efficient technologies or other climate-related infrastructure projects.

Additional important structural reforms were adopted in 2025. Amongst them were the Geothermal Energy Acceleration Act, passed on 4 December 2025, and the KfW promotional loan 'Geothermal Energy with Exploration Risk Insurance' (Programme 572), launched on

18 December 2025. The Geothermal Energy Acceleration Act is designed to simplify and speed up approval procedures. The KfW Geothermal Energy Promotional Loan (programme number 572) with integrated exploration risk insurance largely mitigates the risk of unsuccessful drilling.

This improved regulatory framework already motivated the first local authorities and cities to move from the planning phase to the implementation phase. They partially completed their heat planning in 2025, and some of them have already launched specific tenders, including for geothermal energy projects.⁵⁵

We believe that these regulatory improvements are successfully accelerating the expansion of geothermal power. According to our assessment, this could lead to increased demand for flat and deep geothermal energy projects for Daldrup & Söhne AG in the short to medium-term.

⁵⁴ Geothermal energy for the heating transition – BMWK launches consultation process, <https://www.bmwk.de/Redaktion/DE/Pressemitteilungen/2022/11/20221111-geothermie-fuer-die-waermewende.html>, 11 November 2022

⁵⁵ Bundesverband Wärmepumpen e.V., Municipal heating planning is making progress – analysis by the BBSR, <https://www.waermepumpe.de/presse/news/details/kommunale-waermeplanung-kommt-vor-analyse-des-bbsr/#:~:text=Die%20kommunale%20W%C3%A4rmeplanung%20in%20Deutschland%20gewinnt%20an,die%20H%C3%A4lfte%20aller%20Kommunen%20E%2080%93%20mit%20der,> retrieved on 17 March 2026

Bayern innovativ: The number of deep geothermal plants is increasing, <https://www.bayern-innovativ.de/emagazin/energie-bau/detail/zahl-der-tiefengeothermischen-anlagen-nimmt-zu/>, retrieved on 17 March 2026

Furthermore, institutional and public pressure to reduce dependence on fossil primary energy sources (partly for geopolitical reasons) and to decarbonise energy generation is continuing to mount. This demands capital allocation toward a decentralised transformation of heat and electricity generation. Furthermore, it is foreseeable that energy demand will rise as a result of the energy transition, driven by the electrification of many sectors. Examples include the following: Electricity for heat pumps, replacing heat extraction from coal-fired power plants, the expansion of e-mobility, and the provision of hydrogen production via electrolyzers. In its study 'Climate-Neutral Power System 2035', the Agora Energiewende institute projects that gross electricity consumption in Germany will rise to 894 TWh by 2035, representing an increase of roughly 50 % compared with the reporting year.⁵⁶ According to the study 'Roadmap of deep geothermal energy for Germany'⁵⁷ by Fraunhofer and Helmholtz, the market potential in Germany opens up expansion targets of well over 300 TWh of annual output or 70 GW of installed capacity, which corresponds to around 25 % of the total heat demand. According to the roadmap, investments of about EUR 2.0 billion to EUR 2.5 billion per Gigawatt of installed capacity from public and private households will be needed over the next ten years to build up a deep geothermal generation infrastructure and to connect it to municipal distribution infrastructures for heat. This will make it possible to achieve competitive heat production costs of < 30 EUR / MWh.

Near-surface geothermal energy and deep geothermal energy represent two efficient, environmentally friendly technologies for decarbonisation. Geothermal energy can be used at any time and practically all over Germany, regardless of the time of day and time of year and weather conditions. Moreover, use of geothermal heat in combination with heat pumps is currently the most efficient method for sectoral coupling. As a result, geothermal energy is an important system service and in the foreseeable future will be operated economically without subsidies. However, without fundamentally improved framework conditions, their development and application will remain below their potential.

According to the Leibniz Institute for Applied Geophysics, 587 TWh/per year (2,111 PJ) alone must be replaced from natural gas, oil and coal in order to achieve the climate protection targets in the space heating / hot water sector. By 2030, this requires at least 100 medium-depth and deep geothermal energy projects. This would correspond to a significant proliferation by multiples compared to the current pace of expansion.⁵⁸

Geothermal energy to mitigate dependence on raw materials and geopolitical crises

The geopolitical crises of recent years, in particular the current war in the Middle East, have highlighted vulnerabilities tied to dependence on oil and gas as well as the risks associated with highly volatile energy and raw material prices. Consequently, achieving energy self-sufficiency and price stability is an urgent priority to facilitate predictable planning. Besides reducing dependence on imports of fossil fuels, Geothermal energy also supports decarbonisation of the heating sector. Accordingly, the company considers geothermal energy a cornerstone in building long-term energy resilience, whilst providing energy that is predictable, climate-friendly and cost-effective.

⁵⁶ Agora Energiewende: Climate-neutral electricity system by 2035, https://www.agora-energiewende.de/fileadmin/Projekte/2021/2021_11_DE_KNStrom2035/A-EW_264_KNStrom2035_VWEB.pdf, p. 32

⁵⁷ Fraunhofer Society and Helmholtz Association (2022): Roadmap 'Deep geothermal energy for Germany'

⁵⁸ Leibniz Institute for Applied Geophysics Hannover: Meta-study on the national geothermal strategy – Replacing fossil fuels with geothermal energy for space heating and domestic hot water as an essential component of the 'Eco-Heat' energy sector by 2045, https://www.geothermie.de/fileadmin/user_upload/Downloads/Metastudie_Geothermie_LIAG_2022_.pdf

3. EXPECTED RESULTS OF OPERATIONS AND FINANCIAL POSITION

The drilling and project operations of Daldrup & Söhne AG have been characterised for several years now by high capacity utilisation and a satisfactory order situation across all four business units. Although the current climate towards geothermal energy and deep drilling in general, including in the context of infrastructure projects, can be described as favourable in society and politics, the project and drilling operations are nevertheless fundamentally subject to uncertainties and the risks outlined above. Consequently, they must be closely monitored.

Despite the most careful planning and coordination with project partners and authorities, however, time delays, for example in approval and tender procedures, changing legal requirements, changes in infrastructure conditions which are generally special and the terms of project financing and uncertainties in geology can never be excluded. This is because the exploitation of geothermal energy is a relatively new discipline. Furthermore, each project must be planned on a case-by-case basis, as the geological subsoil conditions vary considerably. Due to the aforementioned unknowns, effects on the results of operations and financial position of Daldrup & Söhne AG and the Group cannot be ruled out and will continue to have an impact on the course of business of Daldrup & Söhne AG in the future.

The economic development in 2026 and 2027 is assessed by the management board as overall very satisfactory as at the end of March 2026, taking into account the prevailing economic conditions and the impact of the geopolitical crises. However, the drilling and services business of the Daldrup & Söhne AG Group is likely to experience a structural increase in demand in the coming quarters due to an improved regulatory framework.

Regulatory developments in 2025, particularly the introduction of the KfW Geothermal Energy Promotional Loan (programme number 572) with hedging against the risk of failing to find a geothermal reservoir, as well as the Geothermal Energy Acceleration Act, have significantly improved the framework conditions for geothermal energy projects.

However, potential price volatility for raw materials, supplies and consumables, triggered by geopolitical tensions, high levels of uncertainty arising from trade policy and wars, could have a negative impact on cost structures and schedules at the drilling sites. Overall, the management board is confident that it can acquire and process further projects in all business units. The positive impact can be seen in the remediation of shafts and sites in the Ruhr region resulting from former mining operations on behalf of RAG Aktiengesellschaft, and in geothermal energy projects in the Rhine Graben, around Munich and in the North German Plain, as well as in Switzerland.

In the first quarter of 2025, we were awarded a general contractor agreement by the Swiss utility company Services Industriels de Genève (SIG) to drill a geothermal doublet in Satigny near Geneva. The drilling will take place in 2026. At the same time, we are continuing the exploratory drilling for salt extraction for the Swiss company Salinen AG with up to four drilling rigs working in parallel. There is also strong demand for exploratory and research drilling, which will prepare the field for larger geothermal projects in the future. In Cologne, for example, we are sinking another research borehole for the Geological Survey of North Rhine-Westphalia (Geologischer Dienst NRW) to investigate the geothermal potential of the limestone layers in the region. Furthermore, Daldrup & Söhne AG is drilling another exploratory borehole (GeoLab-2) for a consortium of research institutes under the leadership of the Karlsruhe Institute of Technology (KIT) in order to gain insights into the suitability of an area for the construction and operation of an underground laboratory. The GeoLaB research infrastructure is intended to answer fundamental questions about the development and utilisation of crystalline reservoirs for geothermal energy.

In addition, Daldrup has launched two major projects in Pullach and Olching in 2026. In Pullach, Daldrup will conduct deep geothermal drilling at two sites over a period of around two and a half years to tap into the Malm reservoir (Upper Jurassic), with borehole depths ranging from 4,000 to 5,100 metres.

The expected temperatures range from 122 °C to 142 °C. In Olching, two deviated deep geothermal boreholes with lengths of around 2,430 metres and 3,300 metres will be drilled on the site of the Geiselbullach cogeneration plant.

Moreover, we are participating in numerous tenders in Germany, Switzerland and the Netherlands. The relevant market volume⁵⁹ under consideration is showing correspondingly robust growth. It reached around EUR 380 million at the end of March 2026. The order backlog across all four business units totalled EUR 120 million at the end of March 2026, keeping the Daldrup & Söhne AG's drilling teams and drilling equipment busy well into 2027. The Management Board continues to boost profitability with targeted investments aimed at increasing the efficiency of drilling equipment, accompanied by gradual expansion of the drilling rig fleet, particularly for medium-deep geothermal energy. With the establishment of an ERP system and ISO 9001 and ISO 14001 certifications, the company will also continue to focus on efficiency, risk minimisation, customer benefits and sustainability.

Although further value adjustments of the now significantly reduced receivables from the companies of the former Geysir subgroup cannot be ruled out, the Management Board of Daldrup & Söhne AG assumes a satisfactory business performance in 2026. This assumption reflects the aforementioned points.

Based on the well-utilised drilling rig capacities, the satisfactory order situation and the existing order potential, the Management Board expects to generate a total output of around EUR 58 million in fiscal year 2026. Earnings before interest and taxes (EBIT) are forecast to range between 11.5 % and 13.5 % of total output. This forecast is based on assumptions, meaning that the actual results may deviate from current expectations due to existing market, procurement and price risks arising from the multipolar geopolitical crises.

E. INFORMATION ON TREASURY SHARES ACCORDING TO SECTION 160(1)(2) OF THE GERMAN STOCK CORPORATION ACT

Disclosures relating to treasury shares pursuant to Section 160(1) No. 2 of the German Stock Corporation Act and Section 289(2) sentence 2 of the German Commercial Code are listed in the appendix.

Pullach i. Isartal, 28 May 2026



Andreas Tönies
(CEO)



Bernd Daldrup
(Board member)



Karl Daldrup
(Board member)

⁵⁹ Definition of 'relevant market' for Daldrup & Söhne AG:

The relevant, processed market volume, assessed using occurrence probability, shows the potential for new business over the next few years. (Potential orders are assessed across several probability levels.)

Disclosure in the management report on health, environmental protection and quality standards – not part of the 2025 annual audit

Daldrup & Söhne AG undertakes to comply with high health, safety and environmental standards. Daldrup & Söhne AG attaches the utmost importance to its employees complying with industry standards, the respectively applicable national laws and the relevant regulations regarding health, safety and environmental protection. The management, information and security system installed by the Management Board of Daldrup & Söhne AG and audited by external parties ensures that these standards are implemented effectively. The non-financial performance indicators do not directly serve company management.

The basics of daily activities are stipulated by the safety and health protection document in accordance with the relevant legal provisions and directives of the European Union as well as the internal guidelines of Daldrup & Söhne AG for employee management and employee development, for addition prevention and for maintenance and servicing.

A high level of quality across all company divisions of Daldrup & Söhne AG is a decisive factor in ensuring success of our work and customer satisfaction. The standard SCC certification (SCC standard 'SCC-VAZ 2021') is therefore as much a matter of course as the performance and regular revision of quality management in accordance with DIN ISO 9001.



➤ CONSOLIDATED FINANCIAL STATEMENTS

FOR FISCAL YEAR 2025



CONSOLIDATED FINANCIAL STATEMENTS 72

Consolidated Income Statement	73
Consolidated Balance Sheet	74
Group Equity Statement	75
Consolidated Cash Flow Statement	76
Notes to the Consolidated Financial Statements	77

CONSOLIDATED INCOME STATEMENT FROM 1 JANUARY TO 31 DECEMBER 2025

	01/01/2025 – 31/12/2025 EUR	01/01/2024 – 31/12/2024 EUR
1. Sales revenues	39,917,007.40	54,113,901.83
2. Increase / decrease in work in progress	11,019,790.09	212,491.66
3. Other own work capitalized	171,205.99	265,877.41
Total operating output	51,108,003.48	54,592,270.90
4. Other operating income	1,261,687.29	449,065.64
5. Cost of materials		
a) Cost of raw materials, consumables and supplies, and of purchased merchandise	- 8,631,977.29	- 4,886,054.67
b) Cost of purchased services	- 12,052,387.96	- 18,233,077.10
	- 20,684,365.25	- 23,119,131.77
Gross profit	31,685,325.52	31,922,204.77
6. Personnel expenses		
a) Wages and salaries	- 9,179,566.32	- 9,366,912.94
b) Social security, post-employment and other employee benefit costs	- 2,050,007.39	- 1,856,786.29
	- 11,229,573.71	- 11,223,699.23
7. Amortisation of intangible assets and depreciation of property, plant and equipment	- 1,910,798.67	- 1,587,013.10
8. Depreciation of current assets	- 410,000.00	- 2,432,800.00
9. Other operating expenses	- 9,479,074.59	- 9,695,204.30
10. Income from investments	70,669.00	0.00
11. Income from securities and long-term loans	6,756.17	15,116.34
12. Other interest and similar income	192,702.25	319,687.76
13. Depreciation of long-term financial assets	- 186,699.37	- 3,702,278.28
14. Interest and similar expenses	- 483,596.99	- 798,887.06
15. Taxes on income and revenue	- 485,966.43	- 283,315.85
16. Result from ordinary activities	7,769,743.18	2,533,811.05
17. Other taxes	- 21,668.55	- 46,713.01
18. Consolidated net income for the year	7,748,074.63	2,487,098.04
19. Group profit carried forward	1,918,709.50	- 568,388.54
20. Profit distribution	- 898,425.00	0.00
21. Consolidated net retained profits	8,768,359.13	1,918,709.50



CONSOLIDATED BALANCE SHEET AS AT 31/12/2025

ASSETS

A. Fixed assets

	31/12/2025 EUR	31/12/2024 EUR
I. Intangible fixed assets		
1. Concessions, industrial property and similar rights and assets and licences to such rights and values	332,463.31	64,029.50
2. Prepayments	-	223,644.50
	332,463.31	287,674.00
II. Property, plant and equipment		
1. Land, land rights and buildings including buildings on third party land	29,791.38	3,558.00
2. Technical equipment and machinery	6,746,347.58	4,637,222.00
3. Other plants, factory and office equipment	4,691,509.63	4,005,725.00
4. Prepayments	859,361.06	-
	12,327,009.65	8,646,505.00
III. Financial assets		
1. Shares in affiliated companies	2.00	2.00
2. Other loans	355,012.94	605,053.00
	355,014.94	605,055.00
	13,014,487.90	9,539,234.00

B. Circulating assets

I. Inventories		
1. Raw materials, consumables and supplies	7,195,700.58	6,432,069.53
2. Work in progress	37,813,008.49	27,070,408.76
3. Payments received on account of orders	- 38,882,507.69	- 26,411,307.42
4. Finished products and merchandise	840,000.00	1,250,000.00
5. Prepayments	1,776,122.22	188,353.71
	8,742,323.60	8,529,524.58
II. Receivables and other assets		
1. Trade receivables	6,717,623.14	4,509,703.57
2. Receivables from affiliated companies	73,626.28	195,668.65
3. Other assets	4,829,417.29	4,844,976.00
	11,620,666.71	9,550,348.22
III. Cash on hand and credit balances at banks	12,962,898.65	6,363,058.44
	33,325,888.96	24,442,931.24

C. Prepayments and deferred income

	158,509.01	231,164.09
Total assets	46,498,885.87	34,213,329.33

LIABILITIES

A. Equity

I. Subscribed capital	5,989,500.00	5,989,500.00
Treasury shares	- 3,012.00	- 3,012.00
	5,986,488.00	5,986,488.00
II. Capital reserves	15,954,431.80	15,954,431.80
III. Retained earnings		
1. Legal reserve	25,000.00	25,000.00
2. Other revenue reserves	360,205.84	360,205.84
IV. Currency translation adjustments	- 722,571.99	- 723,755.23
V. Net retained profits	8,768,359.13	1,918,709.50
	24,385,424.78	17,534,591.91
	30,371,912.78	23,521,079.91

B. Provisions

1. Tax provisions	398,172.81	285,001.66
2. Other provisions	3,518,370.07	1,875,913.65
	3,916,542.88	2,160,915.31

C. Liabilities

1. Liabilities to banks	4,402,320.14	1,633,092.22
2. Trade payables	4,469,638.01	3,493,086.78
3. Liabilities to affiliated companies	-	18,838.28
4. Other liabilities	3,313,065.18	3,380,129.21
	12,185,023.33	8,525,146.49

D. Prepayments and deferred income

	25,406.88	6,187.62
Total assets	46,498,885.87	34,213,329.33

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

	Parent company											
	(Amended) Subscribed capital			Reserves				Equity difference from currency translation	Consolidated balance sheet profit / loss	Total	Group Equity	
	Subscribed capital	Treasury shares	Total	Capital reserves	Retained earnings							Total
				Capital reserves	Legal reserve	Other Retained earnings	Total					
in EUR												
As at 01/01/2024	5,989,500	−3,012	5,986,488	15,954,432	25,000	360,206	385,206	16,339,638	- 751,301	- 568,389	21,006,436	21,006,436
Group annual net income	0	0	0	0	0	0	0	0	0	2,487,098	2,487,098	2,487,098
Capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Changes to the consolidation scope	0	0	0	0	0	0	0	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	0	27,546	0	27,546	27,546
Profit distribution	0	0	0	0	0	0	0	0	0	0	0	0
Withdrawals from capital reserves	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
As at 31/12/2024	5,989,500	- 3,012	5,986,488	15,954,432	25,000	360,206	385,206	16,339,638	- 723,755	1,918,709	23,521,080	23,521,080
As at 01/01/2025	5,989,500	- 3,012	5,986,488	15,954,432	25,000	360,206	385,206	16,339,638	- 723,755	1,918,709	23,521,080	23,521,080
Group annual net income	0	0	0	0	0	0	0	0	0	7,748,075	7,748,075	7,748,075
Capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Changes to the consolidation scope	0	0	0	0	0	0	0	0	0	0	0	0
Currency translation	0	0	0	0	0	0	0	0	1,183	0	1,183	1,183
Profit distribution	0	0	0	0	0	0	0	0	0	- 898,425	- 898,425	- 898,425
Withdrawals to offset losses	0	0	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0	0	0
As at 31/12/2025	5,989,500	- 3,012	5,986,488	15,954,432	25,000	360,206	385,206	16,339,638	- 722,572	8,768,359	30,371,913	30,371,913

CONSOLIDATED CASH FLOW STATEMENT FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

	01/01/2025 – 31/12/2025 EUR	01/01/2024 – 31/12/2024 EUR
1. Cash flow from ongoing operating activities		
Result for the period including third-party shares	7,748,074.63	2,487,098.04
Scheduled depreciation of fixed assets	2,097,498.04	5,270,453.10
Increase / reduction in provisions	1,642,456.42	- 866,452.15
Other non-cash expenses/income	411,183.24	- 815,815.57
Increase / decrease in inventories, trade receivables and other assets that are not attributable to investing or financing activities	- 2,557,121.74	6,814,280.35
Increase / decrease in trade payables and other liabilities that are not attributable to investing or financing activities	909,868.18	- 1,477,020.61
Interest expenses	483,596.99	798,887.06
Interest income	- 192,702.25	- 319,687.76
Income tax expense / income	485,966.43	283,315.85
Income tax refunds / payments	- 372,795.28	- 41,745.10
Cash flow resulting from ongoing business activity	10,656,024.66	12,133,313.21
2. Cash flow from investment activities		
Inflows from disposals of tangible and intangible fixed assets	77,738.72	0.00
Outflows for investments into intangible and tangible fixed assets	- 5,713,831.35	- 2,554,837.43
Outflows for investments into financial assets	0.00	- 242,590.00
Interest received	192,702.25	319,687.76
Cash flow from investment activities	- 5,443,390.38	- 2,477,739.67
3. Cash flow from financing activities		
Distribution to company owners	- 898,425.00	0.00
Inflows from the issuance of bonds and raising of (financial) loans	3,384,631.04	371,069.51
Outflows from the repayments of bonds and (financial) loans	- 615,403.12	- 543,386.89
Interest paid	- 483,596.99	- 798,887.06
Cash flow from financing activities	1,387,205.93	- 971,204.44
4. Cash and cash equivalents at the end of period		
Cash change in cash and cash equivalents (Subtotals 1 – 3)	6,599,840.21	8,684,369.10
Cash and cash equivalents at the start of the period	6,363,058.44	- 2,321,310.66
Cash and cash equivalents at the end of period	12,962,898.65	6,363,058.44
5. Composition of the cash and cash equivalents		
Cash on hand and credit balances at banks	12,962,898.65	6,363,058.44
Liabilities to banks (current account liabilities)	0.00	0.00*
Cash and cash equivalents at the end of period	12,962,898.65	6,363,058.44

* Within the framework of the calculation of the finance fund,
liabilities to banks are considered insofar as these are current account liabilities.

Current account liabilities	0.00
Loan liabilities	0.00
Other financing	- 4,402,320.14
Liabilities to banks	- 4,402,320.14

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

I. GENERAL DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Group parent company, Daldrup & Söhne AG, based in Pullach i. Isartal, is a provider of drilling and environmental services.

Daldrup & Söhne AG is entered in the commercial register of Munich District Court under HRB 187005. It is a public limited company incorporated in Germany with registered office in: 82041 Oberhaching, Bajuwarenring 17a.

Where it is possible to exercise options with regard to disclosures in the consolidated balance sheet, the consolidated income statement or the notes to the consolidated financial statements, it was chosen to make comments in the balance sheet or in the income statement. The Consolidated Assets Schedule is shown on the last page of the notes to the consolidated financial statement.

According to Section 290(1) HGB in connection with Section 293(1) HGB, the company is not required to prepare consolidated financial statements. The consolidated financial statements were prepared on a voluntary basis. Notwithstanding this, the consolidated financial statements were prepared in full compliance with the provisions of Sections 290 et seq. HGB applicable to mandatory consolidated financial statements. Unless expressly stated in the notes, no use was made of the simplifications stipulated in Sections 296 to 298 of the German Commercial Code.

Consolidation methods

The consolidated financial statement includes the parent company of all domestic and foreign subsidiaries under the control of Daldrup & Söhne AG insofar as their inclusion is not of subordinated importance for showing the asset, financial and earnings situation of the group.

The annual financial statements of subsidiary companies are prepared on the same balance sheet date as the annual financial statements of the parent company, using standard accounting policies.

The effects of intercompany transactions are eliminated. Receivables and liabilities between the companies involved are consolidated.

Consolidated entities

As in the previous year, the consolidated financial statement as at 31 December 2025 includes not only the parent company, but also two domestic and two foreign subsidiaries. Two subsidiaries are not included in the consolidation. Overall, the consolidation scope is composed as follows:

Name and registered office of the company
Parent company:
Daldrup & Söhne AG, Pullach i. Isartal
Subsidiaries:
Daldrup Bohrtechnik AG, Rothenburg / Switzerland
D&S Geothermie GmbH, Grünwald, Germany
Daldrup Wassertechnik GmbH, Ascheberg, Germany
GERF B.V., Honselersdijk, The Netherlands
GRE Geothermie- und Rohstoffe Entwicklungs GmbH & Co. KG, Ascheberg, Germany
GRE Geothermie- und Rohstoffe Entwicklungs Verwaltungs GmbH, Ascheberg, Germany

Capital Direct	Capital Indirect	Type of inclusion
100.00		F
100.00		F
100.00		F
	100.00	F
	100.00	N
	100.00	N

The subsidiaries marked with “F” were included by means of full consolidation. The subsidiaries marked with “N” were not included in the consolidated annual financial statement.

In accordance with section 296(2) HGB, GRE Geothermie und Rohstoff Entwicklungs Verwaltungs GmbH, Ascheberg / Germany, and GRE Geothermie- und Rohstoff Entwicklungs GmbH & Co. KG, Ascheberg / Germany were not included in the consolidated financial statements as these companies are of minor significance for the presentation of the Group's assets, financial and earnings position.

Even if these companies were fictitiously consolidated, this would not have any material impact on the Group's net assets, financial position and results of operations. The companies are therefore reported in the consolidated financial statements as investments in associated companies.

Foreign currency translation

Assets and liabilities of the foreign subsidiary are translated at the mid-spot exchange rates on the balance sheet date and income statement items at the average exchange rates for the year. The parts of equity to be included in the capital consolidation as well as the retained profits and accumulated losses brought forward are translated at historical exchange rates. Any differences in the balance sheet to which this gives rise are recognised directly in equity as ‘foreign currency translation adjustments’.

	Exchange rate 1 € =	Annual average share price as at 31/12/2025	Closing rate as at 31/12/2025
Swiss francs	CHF	1.07365	1.07158



II. ACCOUNTING POLICIES

The preparation of the consolidated financial statements were based on the going concern principle.

Assets

Acquired intangible fixed assets and fixed assets have been recognised at cost and, if liable to depreciation / amortisation, have been reduced by scheduled depreciation / amortisation.

Depreciation is calculated linearly according to the expected useful life. Low-value assets between EUR 250 and EUR 1,000 are entered in a collective item and depreciated on a straight-line basis over a period of 5 years. Assets under EUR 150 are recorded directly as expenses.

The loans and shares in affiliated companies are balanced at nominal value. Where necessary, depreciation and amortisation is carried out at the value to be settled lower on the balance sheet reporting date.

Extraordinary depreciation and amortisation of fixed assets was made where a permanent impairment exists.

Raw materials, consumables and supplies have been recognised at cost. If the daily values were lower on the balance sheet date, these values have been recognised. Services in progress are generally measured by means of

reverse costing from the order value, taking into account the degree of completion on the balance sheet date and a flat-rate deduction of 12.5 % for the share of profit not yet realised and non-capitalisable costs. If applicable, a devaluation to the lower fair value was recognised. On the other hand, standard abatements are not carried out for 'day rate orders' due to the basic service character of these orders, such that the margin shares are subsequently considered as sales revenues in the total output within the framework of the agreed billing system.

Finished products and goods are recognised at cost or production cost. Where necessary, the lower of cost or market principle is applied. Advance payments are recognised at nominal value.

Receivables and other assets have been recognised at their nominal value. In the case of receivables, individual risks have been taken into account by means of adequately measured specific valuation allowances and the general credit risk of the parent company by means of appropriate flat-rate deductions of 1 %. The valuation is based on empirical data and the Management Board's current risk assessment.

Cash in hand and credit balances at banks have been recognised at their nominal value. Balances in foreign currency are translated at the mean spot exchange rate on the balance sheet date.

The active accruals and deferred income includes expenditure before the deadline date which only become an expense in the following year.

Liabilities

Subscribed capital has been recognised at par value.

The calculated par value of acquired treasury shares has been deducted from subscribed capital on the face of the balance sheet.

The tax provisions and other provisions were formed for all other uncertain liabilities in the amount of the necessary fulfilment required after a sensible commercial evaluation. All identifiable risks have been taken into account here. If the liabilities were due after more than one year, maturity-matched discounting was carried out using the interest rates published by the Deutsche Bundesbank.

Liabilities have been recognised at their settlement amount.

Deferred income and accrued expenses include inflows before the balance sheet date which will only become income in the following year.

III. NOTES TO THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED INCOME STATEMENT

I. Consolidated Balance Sheet

Fixed assets

The consolidated statement of changes in fixed assets as at 31 December 2025 is set out on the last page of the Notes.

The list of direct and indirect shareholdings of all long-term equity investments can be found on page 3.

No write-ups were made on fixed assets during fiscal year 2025.

Shares in affiliated companies

There are the following indirect investments in affiliated companies which are not included in the consolidation scope, and are therefore shown as shares in affiliated companies in the Consolidated Balance Sheet:

Name and registered office of the company	Ownership share %	Currency	Equity as at 31/12/2025	Result for the last fiscal year
GRE Geothermie- Rohstoffe und Entwicklungs GmbH & Co. KG, Ascheberg, Germany*	100.00	kEUR	- 55	71
GRE Geothermie- Rohstoffe und Entwicklungs Verwaltungs GmbH, Ascheberg, Germany*	100.00	kEUR	10	7

* Values as at

31/12/2025

Other loans

geox GmbH, Landau	kEUR 176
GVG-Grundstücksverwaltungs-Co. KG, Erfurt, Germany	kEUR 179

The loans to geox GmbH were comprehensively subordinated as part of the sale of the Geysir Europe Group to a financing company in January 2020: Accordingly, Daldrup & Söhne AG's loan amount as well as the accrued interest and all associated rights rank below all current, future and conditional claims of all existing higher-ranking creditors and the financing company and its companies, as well as all claims, including distributions, interest claims and dividend claims of the financing company against the geox GmbH, Landau.

The valuation of these loans to geox GmbH has since been primarily based on a cash flow-based model, which in turn is based on planning assumptions regarding the cash flow returns of the Landau power plant company for the period up to 2026 as well as an earn-out agreement that is still in place. Defined by parameters set in 2019, the aforementioned agreement stipulates that an amount of approximately kEUR 2,000 needs to be paid to D&S Geothermie GmbH (= subsidiary of the reporting company) in the event of the future construction of another power plant and its successful operation. This was also reflected in the model.

The loan to geox GmbH was depreciated by kEUR 187 in the reporting year in accordance with the valuation model. Due to the shareholder change of geox GmbH, the loan is still expected to be repaid.

Circulating assets

Inventories

Payments received are openly deducted from inventories.

In fiscal year 2025, finished products and merchandise amounting to kEUR 840 (previous year: kEUR 1,250) were recognised. These are technology components that D&S Geothermie GmbH received as part of the purchase price for the disposal of the Geysir Europe Group and are supposed to be gradually sold. Finished goods were depreciated by kEUR 410 using the lower of cost or market principle [Section 253(4) HGB].

Receivables

As in the previous year, the remaining term of the receivables is up to one year.

Other assets

Other assets as at 31/12/2025 in kEUR

Description	Total amount	due		Total amount previous year
		within 1 year	more than one year	
1. Loan receivables from related companies	2,417	2,417	0	2,342
2. Purchase price claim from company share purchases	1,600	1,600	0	1,600
3. VAT receivables	356	356	0	329
4. Other	457	457	0	573
Total of other assets	4,830	4,830	0	4,844

3. contains the pre-tax receivables, which were first incurred in 2026 in the amount of kEUR 57.

Loan receivables against affiliated companies exist in relation to J. D. Apparate- und Maschinenbau GmbH, Ascheberg / Germany, in the amount of kEUR 2,417 (previous year: kEUR 2,342). There is a subordinate claim of kEUR 800 behind the claims of all other creditors of J. D. Apparate- und Maschinenbau GmbH.

Equity

Changes in equity are presented in the statement of changes in equity, which forms part of the consolidated financial statements.

Share capital

The share capital amounts to kEUR 5,989.5 (previous year: kEUR 5,989.5), which is divided into 5,989,500 bearer shares (previous year: 5,989,500) without a nominal amount (no-par-value shares). The approved capital as at 31 December 2025 was kEUR 2,994.75 (previous year: kEUR 2,994.75).

Treasury shares: The subsidiary Daldrup Bohrtechnik AG, Rothenburg, holds 3,012 shares in Daldrup & Söhne AG, corresponding to EUR 3,012 of the share capital, or 0.1 %.

Capital reserves

The capital reserve remains unchanged from the previous year at kEUR 15,954 (previous year: kEUR 15,954).

Legal reserve

The legal reserve pursuant to Section 150 of the German Stock Corporation Act amounts to kEUR 25, unchanged compared to the previous year.

Other revenue reserves

Other revenue reserves amount to kEUR 360 (previous year: kEUR 360).

Consolidated net retained profits

For the previous fiscal year, the Management Board suggested that the annual surplus of the parent company be carried forward to the next accounting period.

It is, in principle, not the consolidated net retained profits, but the net retained profits from the individual financial statement of the parent company that are available for distribution purposes. The balance sheet profit in Daldrup & Söhne AG's annual financial statement amounts to kEUR 6,436 as at 31 December 2025.

Other provisions

Schedule of provisions as at 31/12/2025 in kEUR					
Description	01/01/2025	Utilisation	Reversal	Allocations	31/12/2025
Personnel provisions	886	886	0	958	958
Global provision for warranties	245	0	18	0	227
Other provisions	744	195	0	1,784	2,333
Total other provisions	1,875	1,081	18	2,742	3,518

The global provision for guarantees was based on 0.5 % of the average revenue of the last five years. This took into account a different weighting of the individual years as well as discounting.

Liabilities

Statement of liabilities as at 31/12/2025 in kEUR					
Type of liability	Total amount	within 1 year	due		Total amount previous year
			due within 1 to 5 years	more than 5 years	
1. Liabilities to banks	4,402	959	2,956	487	1,633
2. Trade payables	4,470	4,470	0	0	3,493
3. Liabilities to affiliated companies	0	0	0	0	19
4. Liabilities to related companies	734	303	431	0	978
5. Tax liabilities	1,186	1,186	0	0	745
6. Other liabilities arising from company share purchase	385	192	192	0	580
7. Other miscellaneous liabilities	1,008	1,008	0	0	1,077
Total Liabilities	12,185	8,118	3,579	487	8,525

There are **liabilities to banks** totalling kEUR 4,402 (previous year: kEUR 1,633) from the financing of property, plant and equipment.

Approved current account, guarantee credit lines and other credit lines of the report company amount to a total of kEUR 26,600. With the long-term affiliated banks and guarantee credit providers of the report company, in May 2020 a security trust agreement to secure these by the transfer of ownership of drilling systems and machines, as well as inventories and debt assignment was concluded, securing a volume of kEUR 15,500 of the committed credit lines. The agreement contains a flexibility clause in favour of the report company with regard to future project financing lines. The overall lines include the emergency credit line from a creditor in the amount of kEUR 5,000, which is also hedged by the mortgaging of bank credit of kEUR 500.

The **liabilities to affiliated companies** relate to the granting of a loan by GVG-Grundstücksverwaltungs-GmbH & Co. KG, Erfurt, in the amount of kEUR 734 plus accrued interest.

The **other liabilities** include liabilities from wages and salaries (kEUR 502) and other (kEUR 506).

II. Consolidated Income Statement

The total cost format was selected for the Income Statement.

The **sales revenues** of the Group can be broken down as follows:

Turnover spread by area of activity in kEUR

Business unit	2025	Share in %	2024	Share in %
Raw Materials / Exploration	30,538	77 %	25,073	46 %
Geothermal energy	6,058	15 %	23,536	44 %
EDS	2,326	6 %	4,534	8 %
Water procurement	995	2 %	971	2 %
Total	39,917	100 %	54,114	100 %

Turnover spread by market geography in kEUR

Business unit	2025	Share in %	2024	Share in %
Domestic	32,844	82 %	49,931	92 %
Foreign	7,073	18 %	4,183	8 %
Total	39,917	100 %	54,114	100 %

Due to the long-term project agreements, the sales revenue only present an incomplete picture of the performance during the fiscal year. Therefore, the total output is additionally stated as kEUR 42,274 (corresponding to 82.7 %) at home (previous year:

kEUR 50,651 / 92.8 %) and kEUR 8,834 (17.3 %) abroad (previous year: kEUR 3,941 / 7.2 %). The domestic total output includes capitalised personal contributions totalling kEUR 171.

Other operating income is broken down as follows:

	2025	2024
Other operating income	kEUR 986	kEUR 154
Income from currency translations	kEUR 91	kEUR 66
Income from the utilisation of provisions (unrelated to the accounting period)	kEUR 89	kEUR 195
Benefits in kind	kEUR 96	kEUR 0
Insurance compensation	kEUR 0	kEUR 34
Total	kEUR 1,262	kEUR 449

Other operating expenses are broken down as follows:

	2025	2024
Repairs and maintenance	kEUR 2,042	kEUR 1,173
Advertising and travel expenses	kEUR 1,392	kEUR 1,169
Cost of premises	kEUR 959	kEUR 769
Costs of goods sold	kEUR 738	kEUR 0
Insurance policies and contributions	kEUR 665	kEUR 676
Vehicle costs	kEUR 528	kEUR 531
Hire for movable assets	kEUR 442	kEUR 614
Legal and consultancy costs	kEUR 401	kEUR 1,005
Licence fees	kEUR 350	kEUR 350
Impairment losses on current assets	kEUR 192	kEUR 0
Expenses from currency translations	kEUR 119	kEUR 57
Telephone and postage	kEUR 63	kEUR 0
Spoil and waste removal	kEUR 54	kEUR 123
Workshop costs	EUR 0	kEUR 422
Other	kEUR 1,534	kEUR 2,236
Total	kEUR 9,479	kEUR 9,695

The unplanned depreciation and amortisation on the financial assets amount to kEUR 187 (previous year: kEUR 3,702). The depreciation results from a revaluation of the subordinated loan receivables from Geox GmbH.

IV. OTHER DISCLOSURES

Other financial obligations

Daldrup & Söhne AG has other financial obligations arising from rental and lease agreements totalling kEUR 304. The obligations in the amount of kEUR 229 have terms of up to one year and terms of between one and five years in the amount of kEUR 75. Furthermore, obligations arising from a licence agreement exist in the amount of kEUR 2,250, of which kEUR 350 is payable within one year, kEUR 1,400 within a period of between one to five years and kEUR 500 after five years.

The total amount of other financial obligations of the group thus amounts to kEUR 2,554, of which payable:

- due within one year: kEUR 579
- due between one and five years: kEUR 1,475
- due after five years: kEUR 500

The other financial obligations relate exclusively to obligations that are not recognised as liabilities in the consolidated balance sheet.

Hedging of foreign currency risks / valuation units

According to the reporting company's risk policy, arising foreign currency risks of the report company and its subsidiaries, which are of significant importance for the economic development, are to be promptly secured by the reporting company through suitable forward foreign-exchange contracts in advance of the conclusion of a contract, however no later than without undue delay after the

occurrence thereof in the same currency and term, at least in the amount of 90 % of the identified foreign currency risk.

In fiscal year 2025, additional hedges related to underlying transactions of foreign currency risks took place with banks for fiscal years 2025 to 2027. As at 31 December 2025, nine valuation units still existed with the following parameters:

Hedged item / Hedging instrument	Risk / type of valuation unit	Amount collected	Amount of hedged risk	Hedging time frame
Hedging of the report company of incoming payments of a subsidiary from drilling orders in a third country / forward exchange transaction with term options (9 transactions)	Currency risk / micro hedge	kCHF 9,705	kCHF 9,705	17/11/2025 (earliest start date) 16/02/2027 (latest end date)

The reciprocal payment flows in accordance with the above table between the underlying transaction and the hedge are expected to cancel each other out in full during the hedging time frame as significant items of the same amount and same currency and term are hedged by way of forward exchange contracts.

Auditor's total fee

The fee for financial statement audit services charged by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, for fiscal year 2025 is kEUR 165, kEUR 41 of which relates to the previous year. The fee relates exclusively to audit services; tax advisory services or other services were not provided.

Proposed Appropriation of Profits

The Management Board proposes carrying forward the balance sheet profit of the parent company to the next accounting period.

Names of members of the Management Board and the Supervisory Board

During the past fiscal year, the following persons were members of the **Management Board**:

Name	Role, practised profession
Andreas Tönies	Chairman of the Management Board Capital market, accounting, project development and project management of deep drilling projects, purchasing, investments, legal affairs
Dipl.-Ing. Bernd Daldrup, Master's degree in engineering	Member of the Management Board Drilling technology and technology in general, project management and implementation, personnel
Dipl.-Ing. Karl Daldrup, Master's degree in engineering	Member of the Management Board Projects involving shallow and medium-depth geothermal energy, general drilling technology, contract management including claims management, digitalisation

The following were members of the **Supervisory Board**:

Name	Administrative, management or supervisory board mandates or partnerships
Josef Daldrup	Merchant Chairman of the Supervisory Board Delegate of the Administrative Board of Daldrup Bohrtechnik AG, Rothenburg / Switzerland
Heinrich Goßheger (until 31/03/2025)	Retired bank director none
Wolfgang Bosbach	Lawyer Member of the Signal Iduna Supervisory Board Allgemeine Versicherung AG, Dortmund
Dr Michaela Daldrup-Arnold	Project manager None
Steffen Kanitz (since 01/04/2025)	Diplomkaufmann / MBA Board member of RWE Power AG Member of the GNS Gesellschaft für Nuklear-Services mbH (Essen, Germany)

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

With reference to section 314(3) in conjunction with section 286(4) HGB, the Management Board of the parent company waives the disclosure of board members' remuneration pursuant to section 314(1)(6)(a) and (b).

The total remuneration paid to the Supervisory Board for its work in fiscal year 2025 amounted to kEUR 123.

There is a clearing account with the former Chief Executive Officer and current Chairman of the Supervisory Board, Mr Josef Daldrup, which, as at 31 December 2025, shows a receivable from the reporting company of kEUR 2 (previous year: kEUR 2). Interest on the clearing account is charged at 6.0 % annually.

Liabilities exist towards the board members totalling kEUR 0 (previous year: kEUR 28).

Average number of employees during the current year

The following groups of staff were employed in the Company on average during the fiscal year:

Groups of staff	2025	2024
Labourer	136	135
Salaried employees	18	15
Part-time employees	3	2
Total	157	152

Daldrup & Söhne Aktiengesellschaft

The Management Board



Andreas Tönies
(CEO)



Bernd Daldrup
(Board member)



Karl Daldrup
(Board member)

Pullach i. Isartal, 28 May 2026

GROUP STATEMENT OF ASSETS IN FIXED ASSETS FOR THE FISCAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2025

	Acquisition costs					Depreciation and amortisation					Book values		
	As at 01/01/2025 EUR	Currency differences EUR	Additions EUR	Disposals EUR	Transfer EUR	As at 31/12/2025 EUR	As at 01/01/2025 EUR	Currency differences EUR	Additions EUR	Disposals EUR	As at 31/12/2025 EUR	As at 31/12/2025 EUR	As at 31/12/2024 EUR
I. Intangible fixed assets													
1. Concessions, industrial property rights and similar rights and assets and values, as well as licences for such rights and assets	163,123.30	0.00	48,306.52	0.00	330,317.09	541,746.91	99,093.80	0.00	110,189.80	0.00	209,283.60	332,463.31	64,029.50
2. Prepayments	223,644.50	0.00	106,672.59	0.00	- 330,317.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	223,644.50
	386,767.80	0.00	154,979.11	0.00	0.00	541,746.91	99,093.80	0.00	110,189.80	0.00	209,283.60	332,463.31	287,674.00
II. Property, plant and equipment													
1. Land and buildings	48,718.33	0.00	27,066.61	0.00	0.00	75,784.94	45,160.33	0.00	833.23	0.00	45,993.56	29,791.38	3,558.00
2. Technical equipment and machinery	31,826,051.15	0.00	2,931,962.56	109,904.65	0.00	34,648,109.06	27,188,829.15	0.00	822,836.98	109,904.65	27,901,761.48	6,746,347.58	4,637,222.00
3. Other plants, factory and office equipment	12,280,164.30	0.00	1,740,462.01	320,613.27	0.00	13,700,113.04	8,274,439.30	0.00	976,938.66	242,874.55	9,008,503.41	4,691,509.63	4,005,725.00
4. Prepayments and assets under construction	0.00	0.00	859,361.06	0.00	0.00	859,361.06	0.00	0.00	0.00	0.00	0.00	859,361.06	0.00
	44,154,933.78	0.00	5,558,852.24	430,517.92	0.00	49,283,268.10	35,508,428.78	0.00	1,800,608.87	352,779.20	36,956,258.45	12,327,009.65	8,646,505.00
III. Financial assets													
1. Shares in affiliated companies	2.00	0.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	0.00	0.00	2.00	2.00
2. Other loans	17,059,870.24	0.00	0.00	10,362,135.97	0.00	6,697,734.27	16,454,817.24	0.00	186,699.37	10,298,795.28	6,342,721.33	355,012.94	605,053.00
	17,059,872.24	0.00	0.00	10,362,135.97	0.00	6,697,736.27	16,454,817.24	0.00	186,699.37	10,298,795.28	6,342,721.33	355,014.94	605,055.00
	61,601,573.82	0.00	5,713,831.35	10,792,653.89	0.00	56,522,751.28	52,062,339.82	0.00	2,097,498.04	10,651,574.48	43,508,263.38	13,014,487.90	9,539,234.00

> INDEPENDENT AUDITOR'S REPORT AND ADDITIONAL INFORMATION



INDEPENDENT AUDITOR'S REPORT	90
ADDITIONAL INFORMATION	94
Financial Calender	94
Investor Relations Contact	94
Imprint	94

INDEPENDENT AUDITOR'S REPORT

To the Daldrup & Söhne Aktiengesellschaft, Pullach i. Isartal

Audit Opinions

We have audited the consolidated financial statements of Daldrup & Söhne Aktiengesellschaft, Pullach i. Isartal, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2025 to 31 December 2025, and notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of Daldrup & Söhne Aktiengesellschaft, Pullach i. Isartal, for the financial year from 1 January 2025 to 31 December 2025. In accordance with German legal requirements, we have not audited the content of the other disclosures in the group management report on healthcare, environmental and quality standards. In our opinion, based on the knowledge gained during the audit.

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 requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2025 and of its financial performance for the financial year from 1 January 2025 to 31 December 2025 in compliance with German Legally Required Accounting Principles, 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. Our audit opinion on the group management report does not cover the content of the parts of the group management report listed in the appendix.

Pursuant to section 322 paragraph 3 sentence 1 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 [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accor-

dance 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.

Other Information

The executive directors and the supervisory board, respectively, are responsible for the other information. The other information comprises:

- the components of the Group management report mentioned in the section "Audit opinions" that were not audited in terms of content,
- the remaining parts of the management report, including the report of the Supervisory Board, which are expected to be made available to us after the date of this auditor's report,
- but not the consolidated financial statements, the audited disclosures in the group management report and our auditor's report thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibilities of the legal representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law and that the consolidated financial statements, in compliance with German Legally Required Accounting Principles, 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, in accordance with German Legally Required Accounting Principles, 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 legal representatives 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 provided no actual or legal circumstances conflict therewith.

Furthermore, the legal representatives 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 legal representatives 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.

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

- 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.
- 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 German Legally Required Accounting Principles.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming audit opinions on the group financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for 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.

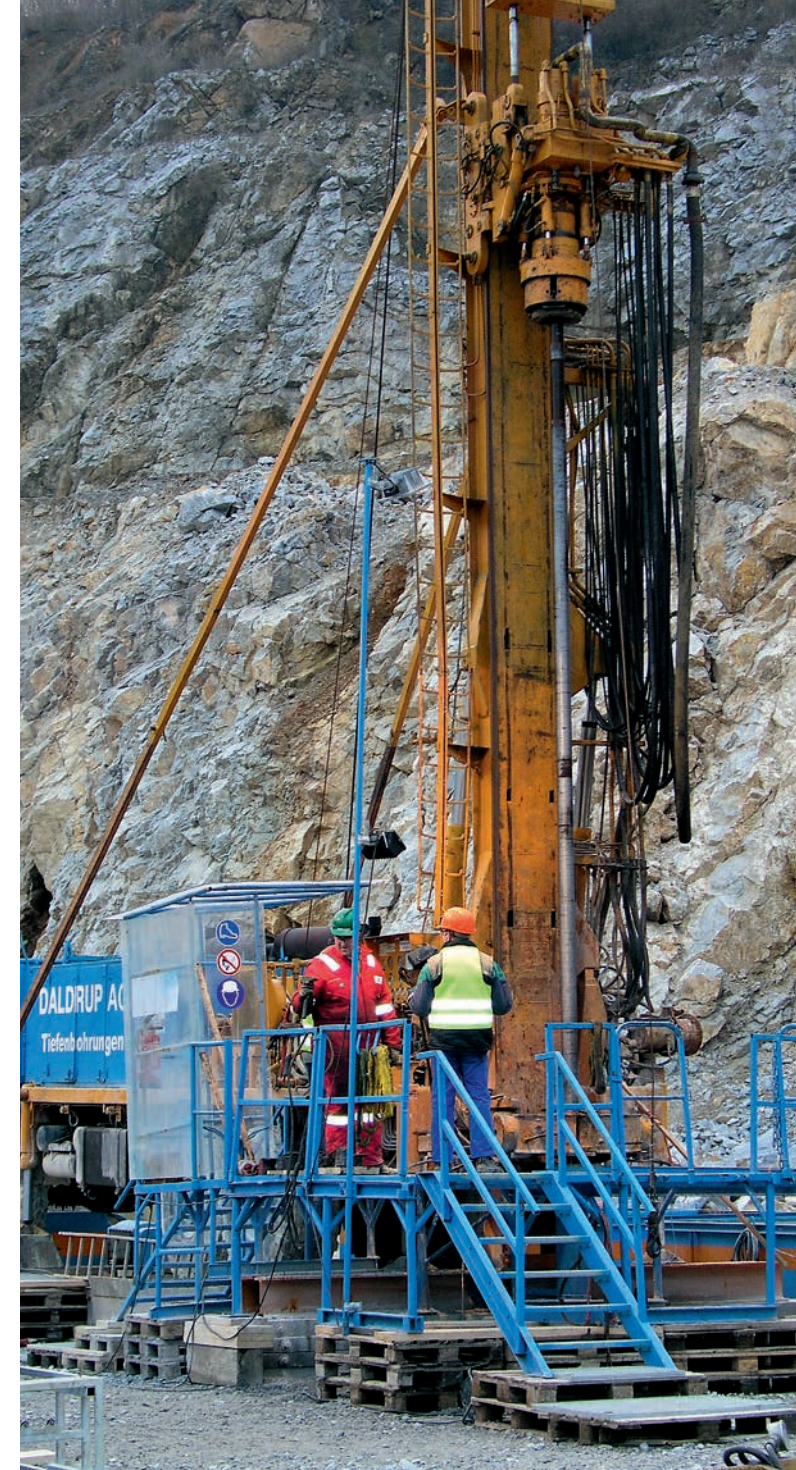
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, 28 May 2026

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Carsten Carstens
Wirtschaftsprüfer
[German Public Auditor]

Marvin König
Wirtschaftsprüfer
[German Public Auditor]



FISCAL CALENDAR

for Daldrup & Söhne AG

27 August 2026	Annual General Meeting
31 Aug. / 01 Sept. 2026	Autumn conference, Frankfurt
30 September 2026	Publication of the 2026 consolidated half-yearly financial report
23 – 25 November 2026	German Equity Forum, Frankfurt

INVESTOR RELATIONS

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**This English version is a translation of the German original.
Solely the German original is legally binding.**

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