Annual Report 2024

Pioneer in the car wash business of tomorrow

WashTec

Significant 8.6% increase in EBIT on lower revenue

Q1–Q4		Jan 1 to Dec 31, 2024	Jan 1 to Dec 31, 2023	Change	
				absolute	in %
Revenue	€m	476.9	489.5	–12.6	–2.6
EBIT	€m	45.5	41.9	3.6	8.6
EBIT margin	%	9.5	8.6	90 bps	–
Net income	€m	31.0	28.0	3.0	10.7
Number of shares in circulation	units	13,382,324	13,382,324	–	–
Earnings per share	€	2.32	2.09	0.23	11.0
Free cash flow	€m	39.5	46.1	–6.6	–14.3
Net cash outflow from investing activities	€m	–10.2	–15.7	5.5	35.0
Equity ratio	%	31.7	31.6	10 bps	–
ROCE	%	23.6	21.5	210 bps	–
Employees at reporting date	persons	1,770	1,687	83	4.9

Bp: basis point (1/100th of a percentage point)

Figures in this report are rounded. Because of this, individual figures may not add up to the stated totals and percentages may not precisely correspond to the absolute figures they relate to.

- **Revenue down on prior year**

  WashTec generated revenue of €476.9m in fiscal year 2024, down 2.6% on the prior year (€489.5m). This was mainly the result of lower sales of new equipment, particularly to key accounts in North America, whereas revenue increased slightly in the Europe and other segment.

- **EBIT significantly above prior year**

  Due to the improved gross profit, EBIT, at €45.5m, was higher than in the prior year (€41.9m) despite the lower revenue. The EBIT margin improved to 9.5% (prior year: 8.6%).

- **Free cash flow below prior year**

  Free cash flow, at €39.5m, was lower than the prior year (€46.1m) due to the strong business performance in the fourth quarter and a resulting increase in net operating working capital relative to December 2023.

Significant increase in revenue and EBIT in the fourth quarter with EBIT margin of 12.6%

Q4		Q4 2024	Q4 2023	Change	
				absolute	in %
Revenue	€m	142.6	132.8	9.8	7.4
EBIT	€m	17.9	15.0	2.9	19.3
EBIT margin	%	12.6	11.3	130 bps	–
Net income	€m	13.7	11.1	2.6	23.4
Number of shares in circulation	units	13,382,324	13,382,324	–	–
Earnings per share	€	1.02	0.83	0.19	22.9

Bp: basis point (1/100th of a percentage point)

- **Fourth quarter revenue significantly above prior year**

  Revenue rose by 7.4% year on year to €142.6m – the second-highest quarterly revenue figure in the Company’s history. The increase is mainly due to significantly higher sales of equipment to key accounts in the Europe and other segment.

- **EBIT significantly above prior year with higher EBIT margin**

  In the fourth quarter, EBIT increased significantly by €2.9m or 19.3% to €17.9m (prior year: €15.0m) – the highest quarterly figure to date. At 12.6%, the EBIT margin was significantly higher than in the prior-year quarter (11.3%) due to the continued positive trend in gross profit in the fourth quarter.

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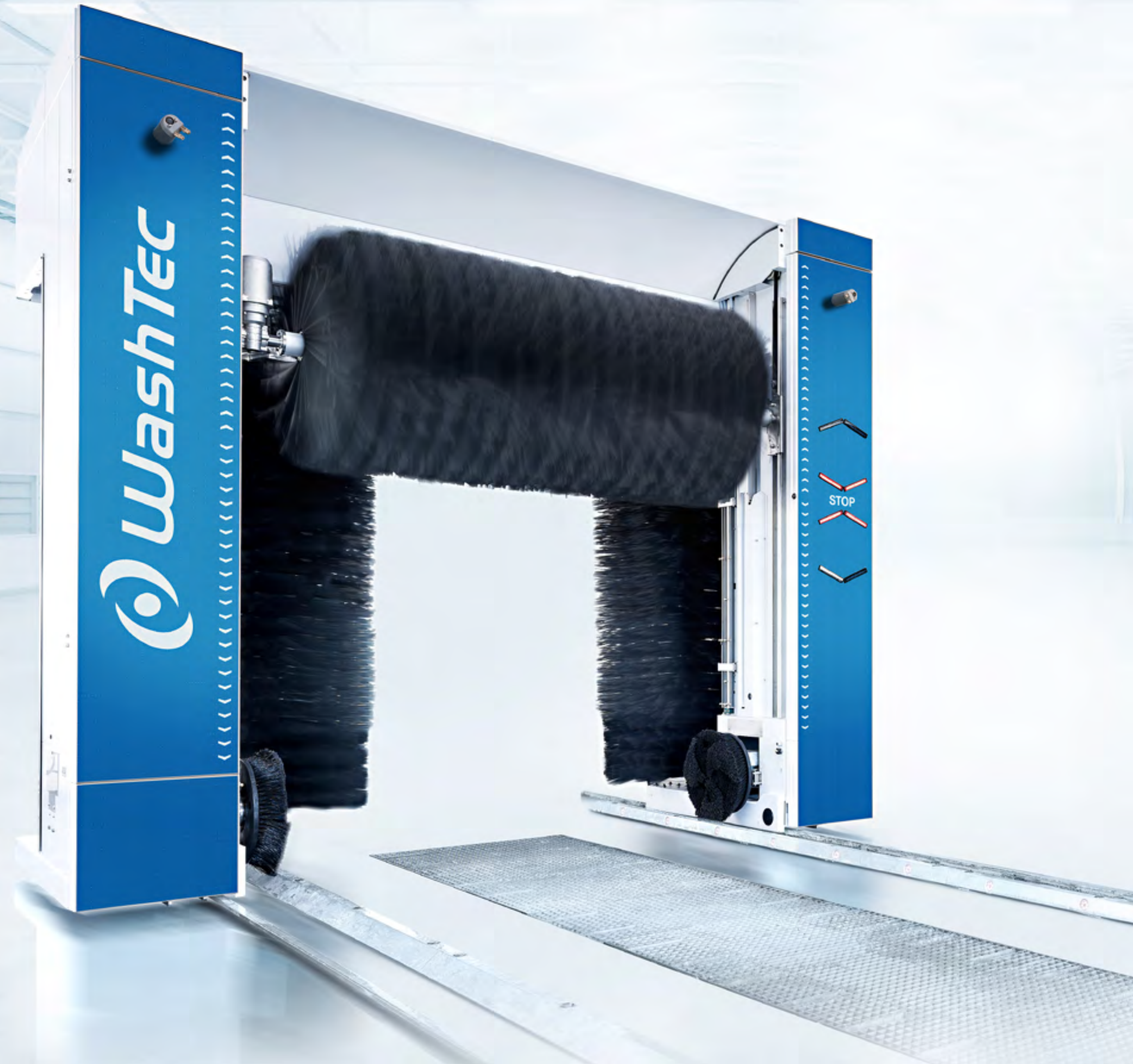


Full service all around sustainable carwash

Services


Wash tunnels


Water recycling


Gantry car wash

Wash chemicals


Self-service

Report of the Management Board

Dear Shareholders, Business Partners and Employees,

2024 was another year of challenges, but also of opportunities and successes for the WashTec Group. In a constantly changing market environment, we continued to strengthen our position as the world's leading provider of innovative vehicle wash solutions. Our focus on sustainable technologies, digital innovation and strong customer centricity has paid off and is the basis of our long-term success.

Precisely because of the global economic uncertainties, we have continued to invest in the future: in our products, in our processes and, above all, in our people. Our sustainable vehicle wash technologies and digital solutions set standards in the industry, enabling our customers to work more efficiently and use fewer resources.

WashTec was successful in fiscal year 2024 despite the difficult market environment. Revenue totaled €476.9m. As expect, this marks a slight decrease of 2.6% on the prior year (€489.5m). We are pleased with our EBIT performance. This came to €45.5m in the reporting year, 8.6% higher than last year's €41.9m. The EBIT margin stood at 9.5% (prior year: 8.6%).

The fall in revenue relative to last year is mainly due to lower equipment sales. This reflects the general purchasing slowdown that we have seen, especially in North America. Performance on the service side is very different. Here, we generated significant revenue growth by process optimization and by increasing the number of digitally connected systems to over 11,000. Overall, we increased the share of recurring revenue – service and chemicals revenue – from around 41% in 2023 to around 44%.

Due to an improvement in gross profit, EBIT increased to €45.5m (prior year: €41.9m). The implemented efficiency measures contributed here. The EBIT margin was 9.5% (prior year: 8.6%). This means that we have now increased our EBIT margin for the third year in a row and takes us closer to our target of a double-digit EBIT margin. We exceeded our EBIT targets for 2024 with growth of 8.6%.

Orders received in the past fiscal year were broadly on a par with the prior year, although the trend varied significantly from region to region. Overall, however, the opposing trends canceled each other out, resulting in an order backlog at the end of December 2024 that was level with the prior year. During the initial months of 2025, we recorded a good level of orders received across all regions, thus assuring production capacity utilization for the first few months of the new fiscal year.

The equipment business in Europe and other was stable compared to the prior year. In equipment, sales performance was characterized in particular by growth in key accounts, while revenue growth in the direct sales business was below the prior-year level. Together with the expansion of the service business, we have thus been able to increase EBIT in Europe and other by around 15.5% to €41.8m. That corresponds to an EBIT margin of 10.6% (prior year: 9.3%).

In North America, we experienced a decline in sales to €85.2m (prior year: €102.9m). With EBIT of €3.7m, (prior year: €5.7m), we did not match last year's earnings. Nevertheless, thanks to the efficiency programs launched in previous years, we achieved an EBIT margin of 4.3% (prior year: 5.5%).

In 2024, the focus was on further evolving our SmartCare and tunnel products together with our service and digital solutions. Our increasingly connected systems enable us to take smart equipment control and maintenance to the next level. As well as further improving reliability, this also enhances the business case for our customers.

Our collaboration with Superoperator is particularly noteworthy in this regard. It allows us to further develop digital services and offer our customers even smarter solutions for operating their wash equipment. The focus here is on connecting and automating our processes for further improvements in efficiency, transparency and ease of use.

With the phased introduction of our new SmartCare system, which will be completed with the official launch in April 2025, we have taken an important step into the future of carwash. SmartCare delivers supreme wash quality while providing operators with access to all digital services. Smart control also ensures optimal performance and simplifies carwash management – a major advantage for our customers.

Sustainability is another key focus of our corporate strategy. With innovative water treatment systems, energy-efficient equipment technology and increased use of biodegradable washing chemicals, we contribute significantly to protecting the environment – and to a more sustainable future for carwash.

Another milestone was the successful launch of our new Carwash Alliance brand for the North American market. This new brand represents the top quality, innovation and customer focus, and provides a strong platform for continued growth in the international chemicals market.

Our North American strategy is beginning to show results, even if revenue performance in 2024 was weaker than expected due to a general purchasing slowdown among major customers. But through targeted customer acquisition and our strategic actions, we have laid a sound basis for a strong start in 2025, with outstanding prospects. On the equipment side, we have successfully launched short tunnel solutions and new features for gantry carwashes. At the same time, we have raised our customer service to new levels with an expanded service network and improved online support. This strengthens our competitive position in one of WashTec's most important growth markets.

We are particularly pleased with the development of our service business, which also put in a strong performance in 2024. The expansion of our network and the increased focus on digital solutions have helped us provide our customers with an even more reliable and efficient service portfolio.

Internally, we have taken an important step with the development of our matrix organization. This cost-sensitive and integrative organizational structure is now fully focused on process optimization and implementation. This will enable us to work even more efficiently going forward, improve internal processes and make optimum use of synergies across the entire organization.

One key strategic project is our location analysis and the launch of the Augsburg project. We aim to develop the Augsburg site into a competence center in the value chain.

However, our success would not have been possible without the commitment of our employees. Their expertise, innovativeness and passion for our products drive our Company forward every day. I would like to take this opportunity to thank them for their dedicated hard work.

With a clear vision for the future and a strong strategic direction, we are ideally positioned for continued success in the years ahead. We look forward to continuing with you on this journey.

Thank you very much for your confidence and support.

Michael Drolshagen
CEO/CTO

Members of the Management Board

Michael Drolshagen (*1971)

CEO/CTO/Chairman of the Management Board

Areas: Corporate culture, communication & mission statement, Human Resources, Production, Sustainability, R&D, Quality, Service, AUWA-Chemie GmbH

Michael Drolshagen is an industrial engineer. He began his career at Porsche in 2000 at the Weissach Development Centre, from where he moved to the Technical Competence Centre in Zuffenhausen and then spent several years as General Manager responsible for production preparation. As Vice President After Sales, he was then responsible for the global aftermarket of the car manufacturer Porsche and reported directly to the Executive Board of Porsche AG. Most recently, Mr. Drolshagen was CEO of thyssenkrupp Presta Aktiengesellschaft.

Michael Drolshagen has been a member of the Management Board and Chairman of the Management Board of WashTec AG since May 2024.

Andreas Pabst (*1973)

CFO/Member of the Management Board

Areas: Finance/Controlling, IT, Purchasing, Investor Relations, Legal and Compliance, Risk Management, Internal Audit, Insurance, WashTec Financial Services GmbH

Andreas Pabst holds a degree in business administration and has passed the tax advisor examination. His professional career began at KPMG and led to KUKA via various positions in the accounting departments of listed companies. There, he has held various commercial positions of increasing responsibility and was Group CFO from 2018 to 2021. Most recently, Mr. Pabst worked for Midea.

Since October 2022, Andreas Pabst is a member of the Board of Management of WashTec AG.

Sebastian Kutz (*1979)

CSO/Member of the Management Board

Areas: Sales, Key Account Management, Marketing, Product Management, WashTec Carwash Management GmbH

Sebastian Kutz has a degree in business administration. After holding various positions in national and international sales and marketing at RATIONAL AG until 2019, became Executive Vice President Sales and Service DACH at WashTec.

Sebastian Kutz has been a member of the Management Board of WashTec AG since March 2023.

Report of the Supervisory Board

Ulrich Bellgardt
Chairman of the Supervisory Board

Ladies and Gentlemen,

It is hard to have to begin another Report of the Supervisory Board by stating that the past fiscal year was once more a difficult one marked by external factors. The global balance of power and the related economic weightings are shifting, regrettably not in favor of democratic constitutions and liberal economic systems. On top of that come the demographic, cyclical, regulatory and budgetary challenges in Europe, and especially in Germany. This situation will also shape the current 2025 fiscal year.

We have drawn strategic conclusions and are focusing our business activities on our potential in Europe and North America. We are transforming our business model from machine manufacturer to solutions provider, with a full portfolio of services along the length of the customer journey for operators and consumers. We offer the most innovative, digitally integrated and sustainable end-to-end solutions for each of our operator customers' carwash business models. This strategic focus will accelerate the expansion of our highly profitable recurring revenue business, which already represents more than 40% of our total revenue. This is the right way to make our business model increasingly resilient.

In Michael Drolshagen, our Company gained an extremely capable CEO/CTO at the beginning of 2024. Together with Andreas Pabst and Sebastian Kutz, he will implement this strategic realignment with compelling leadership and enthusiasm.

Work of the Supervisory Board

During the reporting year, the Supervisory Board adhered diligently and conscientiously to the responsibilities imposed on it by law, the Company's Articles of Association and the Board's own internal rules of procedure. The Supervisory Board was directly involved in all decisions of fundamental importance to the Company. It regularly obtained updates on the condition of the Group throughout fiscal year 2024.

The Supervisory Board also supervised the managerial activities of the Management Board of WashTec AG. This work was based on timely written and verbal reporting by the Management Board to the Supervisory Board. Among other things, the Management Board reported each month in writing to the Supervisory Board about the development of the business. As needed, the Supervisory Board also requested additional reports from the Management Board and inspected other relevant Company documentation. Any departure of the actual development of the business from plans and targets was explained to the Supervisory Board in detail and examined by the Supervisory Board based on the documents presented. In particular, the Management Board coordinated the Group's strategic direction with the Supervisory Board. The Supervisory Board extensively discussed transactions of importance to the Company on the basis of the reports issued by the Management Board.

The Supervisory Board voted on all reports and draft resolutions submitted by the Management Board wherever required by law, the Company's Articles of Association or the rules of procedure, after thorough examination and discussion. Beyond the extensive work conducted during the Supervisory Board meetings, the Chairman of the Supervisory Board maintained constant contact with the Management Board and consulted between Supervisory Board meetings in numerous one-on-one discussions with the Management Board on the Company's strategy, planning, business development, risk situation, risk management and compliance. The remaining Supervisory Board members also exchanged information with the Management Board outside of meetings. All members of the Supervisory Board reported in detail to the remaining members on their one-on-one consultations with the Management Board. In fiscal year 2024, the plenary Supervisory Board held a total of fourteen meetings (six in-person meetings, six virtual meetings and two hybrid meetings, i.e. in-person with virtual attendance option).

At least one Supervisory Board meeting was held each quarter, supplemented by committee meetings. In addition, various resolutions were adopted outside of meetings by circulation. In plenary meetings, the committee chairpersons regularly informed the Supervisory Board about the work of the committees. The activities of the committees are covered separately later in this report. All members of the Supervisory Board and the Management Board additionally convened for a two-day strategy workshop. The Supervisory Board also regularly met without the Management Board.

Alongside Management Board and Supervisory Board matters, topics of regular Supervisory Board consultations included market trends, the competitive situation, product development, the development of revenue, earnings and human resources, finances, capital allocation, the main Group companies, the risk management system, the sustainability targets and sustainability reporting, internal audit, and the strategic orientation and development of the WashTec Group. The Management Board reported regularly and comprehensively to the Supervisory Board about corporate planning, the course of business, the risk situation, strategic development and the current situation of the Group. As a result, the Supervisory Board was able to obtain a detailed insight into all important business events and developments in the WashTec Group at all times.

Furthermore, the Supervisory Board examined transactions and actions of the Management Board requiring approval and decided upon the granting of such approval. The current business situation and the Company’s financial performance, financial position and cash flows were discussed on a regular basis in relation to budgeted figures.

The Supervisory Board also addressed succession planning for the Management Board in the reporting year. In this connection, the Supervisory Board appointed Mr. Michael Drolshagen as the Company’s new Chief Technology Officer (CTO) and Chief Executive Officer (CEO) with effect from May 1, 2024. Furthermore, the Supervisory Board resolved in December 2024 to reappoint Mr. Andreas Pabst, whose current term of office runs until September 30, 2025, for a further term of office as the Company’s Chief Financial Officer (CFO).

The Supervisory Board actively pursued the implementation of the CSRD. In Germany, this has not been implemented by thehas not taken place for the 2024 reporting period. The Company continued to prepare for the future requirements and prepared a combined non-financial statement in accordance with the ESRS. This process to implement the requirements of the CSRD was supported externally and independently on behalf of the Supervisory Board.

In addition to the above, specific topics discussed at meetings comprised the following:

- Discussion, audit and adoption of the annual and consolidated financial statements, the combined management report and the combined non-financial statement of WashTec AG for fiscal year 2023 (first quarter)
- Use of net profit (first quarter)
- Resolution on the agenda for the Annual General Meeting (first quarter)
- Strategy workshop (second quarter)
- Consultation on the quarterly statements (second and fourth quarters)
- Consultation on the half-year report (third quarter)
- Supervisory Board matters (ongoing)
- Management Board matters (ongoing)
- Changes on the board
- Management Board and Supervisory Board remuneration

- Review and approval of the combined non-financial statement for fiscal year 2024 in accordance with the ESRS
- Declaration of Conformity and regular compliance update
- Sales and marketing strategies and projects, global service
- Digital transformation
- Cybersecurity and artificial intelligence (AI)
- Sustainability/ESG and CSRD reporting, including the sustainability audit
- Organisational structure
- M&A
- Status, strategy and processes in North America
- Product development, processes and projects, in particular with regard to SmartCare
- Annual planning for 2025 and medium-term planning

Key topics at the March 25, 2025 meeting for adoption of the financial statements comprised discussion of the annual financial statements of WashTec AG, of the consolidated financial statements for fiscal year 2024 together with adoption and approval of the annual and consolidated financial statements, and of the combined management report. It also addressed the remuneration report for fiscal year 2024.

Composition of the Supervisory Board

In accordance with the Articles of Association of WashTec AG, the Supervisory Board consists of five members elected by the Annual General Meeting.

On December 19, 2023, the Supervisory Board unanimously elected Mr. Ulrich Bellgardt as Chairman of the Supervisory Board and Mr. Peter Wiedemann as Deputy Chairman of the Supervisory Board of the Company, in both cases effective January 1, 2024.

In December 2024, Dr. Alexander Selent notified the Supervisory Board and the Chairman of the Supervisory Board in writing that he would be resigning from the Supervisory Board for personal reasons with effect from the end of the Annual General Meeting in 2025. Accordingly, a resolution on the election of a new member of the Supervisory Board will be adopted at the 2025 Annual General Meeting. Based on the recommendation of the Personnel and Nomination Committee, the Supervisory Board will nominate a candidate for election to succeed Dr. Selent as member of the Supervisory Board at the Annual General Meeting 2025.

Report on the work of the committees

In the reporting year, there were six committees (Audit Committee, Personnel Committee, Nomination Committee, Innovation and Production Committee, Sales Strategy Committee and Corporate Strategy and Sustainability Committee) whose primary purpose was to prepare Supervisory Board meetings and resolutions for the plenary Supervisory Board. Within the bounds laid down by mandatory statutory provisions, the committees may also be delegated decision-making powers. With effect from January 1, 2025, the Supervisory Board revised the formation of committees within the Supervisory Board. The composition of the committees is shown on page 66.

A brief overview of the work performed by the committees during the reporting year is provided in the following.

The **Audit Committee** convened four times in the fiscal year under review. Three meetings of the committee were held in person and one was held as a hybrid meeting. Two meetings were held in the presence of the auditor. The Committee primarily consulted on the annual financial statements of WashTec AG and the consolidated financial statements along with the combined management report, the combined non-financial statement, supervision of the financial reporting process and the effectiveness of the internal control system, risk management system, the work of Internal Audit and capital allocation.

Due to the statutory requirement for regular rotation of the independent auditor, the Audit Committee dealt in fiscal year 2024 with the selection and handover procedure for the audit for fiscal year 2024. On the recommendation of the Audit Committee, the Supervisory Board as a whole proposed KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, to the 2024 Annual General Meeting for election as auditor for fiscal year 2024, whereupon the 2024 Annual General Meeting elected KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, as the new auditor. In accordance with the resolution of the Annual General Meeting on May 14, 2024, the Audit Committee engaged KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, to audit the annual financial statements of WashTec AG and the consolidated financial statements and combined management report of WashTec AG and the Group. It also defined the focal points of the audit for the reporting year, addressed new accounting and reporting requirements (under the EU taxonomy and the CSRD) and consulted on compliance matters. Without exception, the Audit Committee discussed the Group’s quarterly reports and half-year financial report in detail prior to publication.

The **Personnel Committee** met three times during the reporting year. The meetings were held as hybrid meetings. Its meetings focused on changes on the Management Board, Management Board remuneration and long-term succession planning.

The **Nomination Committee** met once during the reporting year, occasioned by the resignation of Dr. Blaschke. The Nomination Committee resolved to propose to the Supervisory Board, and subsequently to the Annual General Meeting, that the number of members be reduced from six to five in an amendment to the Articles of Association. The 2024 Annual General Meeting resolved accordingly. The committee also met in connection with the resignation of Dr. Selent with effect from the end of the 2025 Annual General Meeting and the nomination of a successor. Both meetings were held as a virtual meetings by video conference.

The **Innovation and Production Committee** convened three times in the fiscal year under review. All meetings of the committee were held in person. The focus was primarily on organization, processes, strategic product development projects, digitalization and product sustainability.

The **Sales strategy committee** held three meetings during the reporting year, all in person. The main focus was on sales and marketing activities, developments in a number of core markets and the outlook and targets for sales and marketing activities, primarily in the North America region.

	Supervisory Board		Audit Committee		Personnel Committee		Nomination Committee		Innovation and Production Committee		Sales Strategy Committee		Corporate Strategy and Sustainability Committee	
Meetings attended/total number of meetings	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %
Ulrich Bellgardt (Chairman)	14/14	100%			3/3	100%	2/2	100%	3/3	100%	3/3	100%	1/1	100%
Dr. Hans Liebler	14/14	100%	4/4	100%			2/2	100%	3/3	100%	3/3	100%		
Heinrich von Portatius	14/14	100%	4/4	100%	3/3	100%					3/3	100%		
Dr. Alexander Selent[1]	13/14	93%	4/4	100%	2/2	100%							1/1	100%
Peter Wiedemann[1] (Deputy Chairman)	14/14	100%			1/1	100%	2/2	100%	3/3	100%			1/1	100%
		99%		100%		100%		100%		100%		100%		100%

Dr. Selent was a member of the Personnel Committee until April 30, Mr. Wiedemann has been a member of the Personnel Committee since May 1, 2024

The **Corporate Strategy and Sustainability Committee** met once during the reporting year, in the form of an in-person meeting. In addition to the continuous improvement of sustainability reporting, key topics included the preparation of the annual strategy workshop and the further development of WashTec's sustainability strategy.

The committees maintained a strong and collaborative working relationship at all times.

Individualized disclosure of meeting attendance

Members' attendance at the meetings of the Supervisory Board and its committees was 99% in fiscal year 2024. The attendance of the members of the Supervisory Board at the meetings of the Supervisory Board and of the committees in fiscal year 2024 is disclosed on an individual basis in the following:

Conflicts of interest

In accordance with Recommendation E.1 of the German Corporate Governance Code 2022, each member of the Supervisory Board must disclose any conflicts of interest to the Chairman of the Supervisory Board without delay. No such conflicts of interest were disclosed in the reporting period.

Corporate governance

The Management Board and Supervisory Board regard corporate governance as an ongoing process and regularly direct their attention to satisfying the requirements of the German Corporate Governance Code. They have conducted a joint review of corporate governance. On December 19, 2024, the Management Board and Supervisory Board submitted an updated Declaration of Conformity, which is reprinted beginning on page 62. The Audit Committee also consulted in-depth on the compliance organization and corporate audits and the results of audits by Internal Audit. Compliance updates are a regular topic of Audit Committee meetings. The new members also had the opportunity to have discussions with senior management.

In the 2024 reporting year, the Company was accepted as a supporting member of Arbeitskreis deutscher Aufsichtsrat e.V. (AdAR), an initiative supporting the work of German supervisory boards. This enables WashTec to provide the Supervisory Board with continuous and independent professional development, exchange and information, including a website with permanently available information on all matters concerning the work of supervisory boards, the BOARD members' magazine, individually compiled information and training programs for the Company and the Supervisory Board members, and events such as an annual supervisory board congress in Frankfurt. Supervisory Board members also took part in various internal and external professional development events, among other things with the focus on sustainability and governance. As a fundamental part of the onboarding process for the newly elected members of the Supervisory Board, the Company provides onboarding information and personal discussions are held with members of the Management Board.

Remuneration system for the Management Board

In its meeting of March 24, 2021, the entire Supervisory Board passed a resolution adopting the Management Board remuneration system applicable for the reporting year. The remuneration system for the Management Board was approved by the 2021 Annual General Meeting.

The remuneration system for the Management Board is based on the tasks and performance of the members of the Management Board and the Company's overall situation. The overall remuneration of members of the Management Board is made up of monetary and non-monetary as well as fixed and variable components and is linked overall to the long-term growth of the Company.

All remuneration components are designed to be appropriate, both individually and in the aggregate, and such that they do not encourage inappropriate risk-taking. The remuneration of Management Board and Supervisory Board members is described in greater detail in the Remuneration Report, which is available on the Company's website.

In line with the four-year cycle under the German Stock Corporation Act (Aktiengesetz), an updated remuneration system for the Management Board will be submitted for approval at the Annual General Meeting in 2025. A resolution on the remuneration of the members of the Supervisory Board will also be placed on the agenda for the 2025 Annual General Meeting.

Audit of the 2024 annual and consolidated financial statements

The auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, audited the annual financial statements of WashTec AG for fiscal year 2024 prepared in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the EU and the combined management report of WashTec AG and the Group, and issued an unqualified audit opinion in each case. In the process, the auditor addressed in depth the focal points of the audit specified by the Audit Committee for the reporting period in the audit engagement. No material weaknesses were reported in the internal control and risk management systems.

KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, has been auditor for WashTec AG and the Group since fiscal year 2024. KPMG also audited the annual financial statements of the main Group companies of WashTec AG.

The Audit Committee verified and monitored the independence and qualification of the auditor and addressed audit quality both before and during the course of the audit.

The auditor has examined the risk early warning system integrated into the risk management system with regard to its fundamental suitability for identifying going concern risks. In addition, the auditor has reported to the Audit Committee and the Supervisory Board on any material weaknesses identified in the internal control and risk management system as it relates to financial reporting.

The Supervisory Board examined in detail the annual financial statements, the consolidated financial statements, the combined management report, the combined non-financial statement of WashTec AG, including the EU taxonomy disclosures, and the Group and the Management Board's proposal on the appropriation of distributable profit. The auditor's audit reports were made available to all members of the Supervisory Board in good time and were discussed in detail both by the Audit Committee at its meeting on February 27, 2025 and at the Supervisory Board meeting for adoption of the financial statements on March 25, 2025.

Both meetings were attended by the auditor. All questions posed by members of the Supervisory Board were answered in detail. During preparation and performance of the audit, the Supervisory Board and the Audit Committee regularly exchanged information with the auditor without the involvement of the Management Board. The Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor and reported on this to the Audit Committee.

The Supervisory Board approves the results of the audit. Pursuant to the conclusions of the review by the Audit Committee and the Supervisory Board, there are no objections to be raised. At its meeting for adoption of the financial statements, the Supervisory Board approved the annual financial statements of WashTec AG and the consolidated financial statements prepared by the Management Board. The annual financial statements of WashTec AG are thus adopted. The Management Board's proposal on the appropriation of distributable profit was approved by the Supervisory Board following in-depth review.

On behalf of the Supervisory Board, I would like to thank the members of the Management Board and all of our employees for their considerable commitment and constructive teamwork during the past fiscal year. It is with great thanks that we bid farewell to Dr. Alexander Selent from the Supervisory Board of WashTec AG, who stepped down from his position on 13 May 2025. His expertise has had a lasting impact on the work of the Board.

Augsburg, March 2025

On behalf of the Supervisory Board

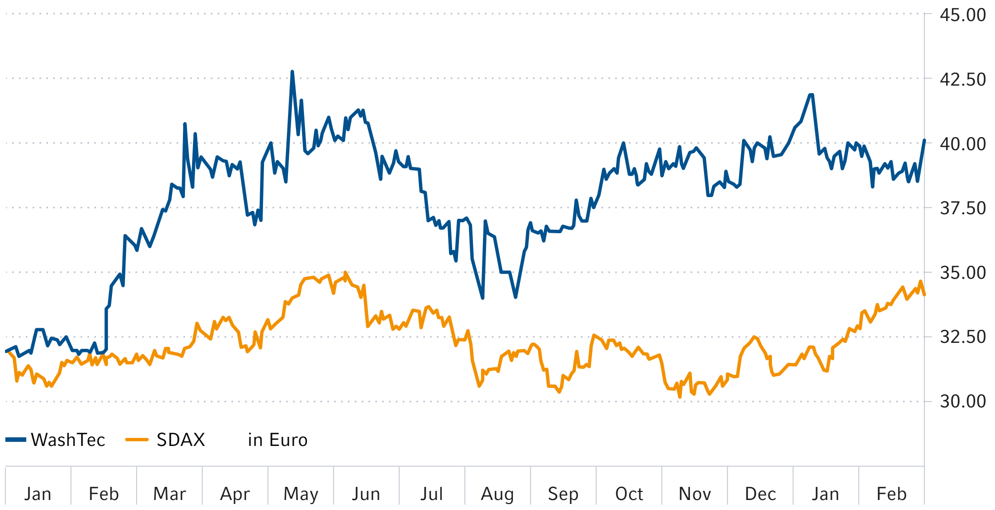
Ulrich Bellgardt
Chairman of the Supervisory Board

The WashTec Share

Stock market performance in 2024

In 2024, the performance of the equity markets was volatile overall, driven primarily by geopolitical uncertainties, continued inflationary momentum, and central bank monetary policy. After a difficult year with a subdued global economic outlook in 2023, markets continued to be influenced in 2024 by at times negative economic data. Despite this challenging environment, the global equity markets proved resilient, with some sectors on a positive trend.

Price performance of WashTec shares 2024/2025 compared to the SDAX (indexed)



*indexed

Source: Deutsche Börse XETRA Closing prices

As of February 28, 2025, WashTec shares were trading at €40.30 per share.

While the global economy grew by around 3.2% in 2024, Germany's price-adjusted economic output contracted for the second year in a row according to the German Federal Statistical Office (2024: –0.2%). This is mainly due to high energy costs and the European Central Bank's interest rate policy. The automotive, mechanical engineering and electrical industries in particular continued to suffer from declining global demand. At the same time, Germany's leading index, the DAX, gained almost 19% in 2024, and in December 2024 surpassed the 20,000 point mark for the first time. This reflects expectations of interest rate cuts in the euro area and the US, as well as the international strength of the companies in the index. At minus 1%, the performance of the SDAX was well below that of the DAX. The MDAX performed even worse at minus 5%.

Internationally, the equity markets benefited from interest rate cuts and the boom in artificial intelligence (AI). US stock markets recorded the highest gains. The S&P 500 rose by 25% and the tech-oriented Nasdaq Composite by more than 31%. The main reason for this is the boom in artificial intelligence among the companies involved. The picture in Europe was mixed. While the EuroStoxx 50 recorded an increase of just under 8%, the French CAC 40 closed the year around 3% down.

WashTec AG share performance in 2024

The WashTec share price began 2024 at €32.00 and marked its high for the year at €42.80 on May 10. It recorded its lowest price of the year at €31.75 on January 4, 2024. The end-of-year share price was €40.60. This was 26.9% up on the prior year-end closing price. Our shares thus clearly outperformed the SDAX, which was down 1.80%. The total shareholder return (TSR) was at 33.8%. These figures relate to closing prices on the Xetra trading platform.

Attractive dividend policy

Pursuant to a resolution adopted by the Annual General Meeting on May 14, 2024, the Company paid its shareholders a dividend of €2.20 per share for fiscal year 2023. Dividend distributions thus totaled €29.4m in 2024. Based on the share price as of December 31, 2024, the dividend yield was 5.42%. This places WashTec among the strongest performers on the German stock market in terms of dividend yield.

WashTec aims to maintain an attractive dividend policy under which shareholders duly participate in the Company's success.

The Management Board and Supervisory Board are proposing a dividend of €2.40 for fiscal year 2024.

Managers' transactions

The following managers' transactions were reported to the Company under the WpHG:

- Mr. Ulrich Bellgardt, member of the Supervisory Board, acquired 9,000 shares on May 10, 2024.
- Mr. Peter Wiedemann, member of the Supervisory Board, acquired 750 shares on May 14, 2024.
- Mr. Michael Drolshagen, member of the Management Board, acquired 230 shares on May 14, 2024, 1,520 shares on May 21, 307 shares on May 22, 429 shares on May 23, 190 shares on May 24, 35 shares on May 31, and 3,519 shares on June 17.
- Mr. Andreas Pabst, member of the Management Board, acquired 500 shares on May 31, 2024.
- Mr. Sebastian Kutz, member of the Management Board, acquired 400 shares on June 12, 2024, and a further 750 shares on June 19, 2024.

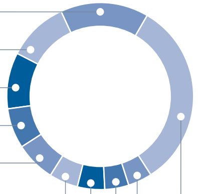
Changes in shareholder structure

The majority of WashTec AG shares are held by institutional investors. WashTec AG received and duly published voting rights notifications under the Securities Trading Act (Wertpapierhandelsgesetz) in fiscal year 2024. These are available in the Investor Relations section of the Company's website, *www.washtec.de*, under Investor Relations – News – Notifications of Voting Rights.

Six investors currently each hold at least 5.00% of the voting rights. To the knowledge of the Company, 32.74% of the Company's shares are held by shareholders whose stakes are below the notification threshold.

Shareholder structure as of December 31, 2024

15.14%	EQMC ICAV [1]
10.61%	Morgan Stanley [2]
9.60%	Kempen Oranje Participaties N.V.
7.13%	Norman Rentrop
6.82%	Dr. Kurt Schwarz [3]
5.13%	Teslin Capital Management B.V. [4]
4.58%	Paradigm Capital Value Fund SICAV
4.25%	Treasury shares
4.00%	Diversity Industrie Holding AG
32.74%	Other



Source: Notifications pursuant to WpHG

[1] Alantra EQMC Asset Management, SGIIC, S.A. as investment management function of EQMC ICAV
[2] incl. attributable shares to Morgan Stanley & Co. International plc, United Kingdom
[3] Leifina GmbH & Co. KG et al.
[4] incl. attributable shares to Gerlin Participaties Coöperatief U.A., Netherlands, as its fund manager

Active investor relations work

The Management Board communicated with shareholders, journalists and the financial community on an ongoing basis during the year. The annual press conference and conference calls for analysts and investors were held to coincide with the publication of the Company's results. At the Annual General Meeting on May 14, 2024, the Management Board shared its detailed position on the current market situation, business development and strategy and discussed these matters with the shareholders. Shareholders were also kept up to date in a timely manner about all notable events. Management participated in investor relations events including the Hamburg Investor Days (HIT), the Eigenkapitalforum in Frankfurt.

In addition, numerous virtual investor calls were held in order to give individual investors and interested parties an impression of WashTec. These met with strong interest.

WashTec shares are currently covered with up-to-date analyses by MM Warburg and Hauck & Aufhäuser. The analysts' price targets are €48.00 and €52.50 (as of February 2025).

Key data on WashTec shares

		2024	2023	2022
Closing price[1]	€	40.60	32.00	34.50
High	€	42.80	41.75	53.54
Low	€	31.75	29.75	32.00
Opening price	€	32.00	34.55	53.54
Number of shares as of Dec 31[2]	million	13.4	13.4	13.4
Free float as of Dec 31[3]	%	32.74	40.40	44.74
Market capitalization as of Dec 31	€m	543.3	428.3	461.7
Performance over the year	%	26.9	–7.4	–36.26
SDAX (for comparison)	%	–0.8	15.5	–27.35
Earnings per share	€	2.32	2.09	1.97
Dividend per share	€	2.40[4]	2.20	2.20

[1] *Based on Xetra closing prices*
[2] *Excluding 594,646 treasury shares*
[3] *Held by shareholders whose stakes are below the notification threshold under the Securities Trading Act (WpHG)*
[4] *Dividend proposal to the Annual General Meeting 2025*

Further information and contact

Current data regarding the WashTec shares and detailed information about the WashTec Group and its products can be found on the Company's website at *www.washtec.de*.

Anyone interested in the Company and its shares may also contact the Investor Relations Department at WashTec AG:

Telephone +49 821 5584-5555
E-mail ir@washtec.com

Combined Management Report of WashTec AG and the Group

2024 at a glance

Overview: Group and segments

WashTec Group*

- Revenue, at €476.9m, down 2.6% year on year (prior year: €489.5m)
- EBIT, at €45.5m, up significantly by 8.6% on prior year (€41.9m); EBIT margin of 9.5% (prior year: 8.6%)
- Free cash flow at €39.5m, down 14.3% year on year (prior year: €46.1m)
- ROCE of 23.6% up 210 basis points on the prior year (21.5%)

Europe and other**

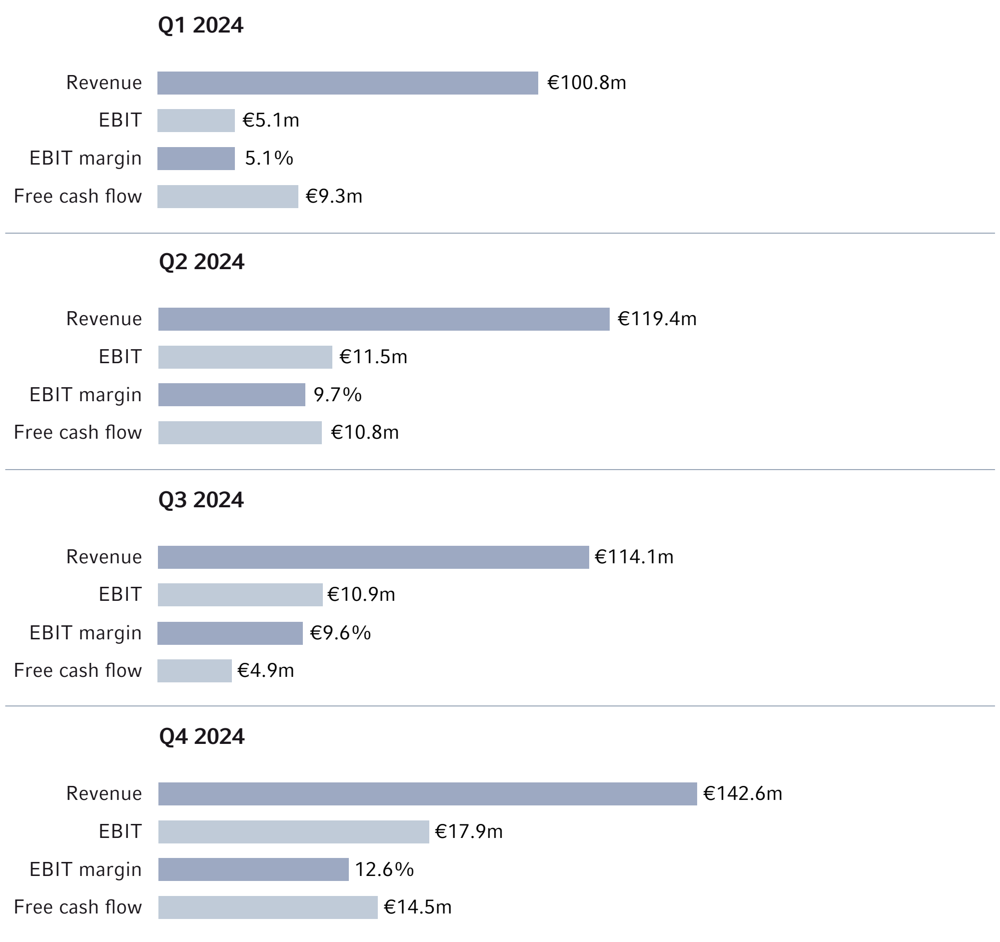
- Revenue, at €394.7m, up 1.2% year on year (€390.0m)
- EBIT, at €41.8m, up significantly by 15.5% year on year (€36.2m); EBIT margin of 10.6% (prior year: 9.3%)

North America

- Revenue, at €85.2m, down 17.2% year on year (prior year: €102.9m)
- EBIT, at €3.7m, up 35.1% year on year (€5.7m); EBIT margin of 4.3% (prior year: 5.5%)

* *Segment data without cross-segment consolidation*
** *Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024.*
*** *These disclosures were not subject to an audit by the auditor.*

Key financial performance indicators by quarter***



1 General information about the Group

1.1 Business model

WashTec is the leading provider of innovative solutions for carwash worldwide. The WashTec product range comprises all types of vehicle wash equipment as well as the associated peripheral components, washing chemicals and water recovery systems. As a specialist, the Group develops a constant stream of innovations – among other things to make vehicle washing even more environmentally friendly. WashTec also offers comprehensive servicing packages and digital smart service solutions spanning the entire product life cycle. These include digital systems that allow operators to remotely monitor and control system parameters, equipment maintenance, chemicals, equipment return, financing arrangements and operator management. The main revenue driver is the Equipment product range.

Revenue by product

Equipment

- Machinery
  - Gantry carwashes
  - Self-service carwashes
  - Commercial vehicle wash equipment
  - Conveyor tunnel systems
- Water treatment systems
- Spare parts

€261.4m
(prior year: €281.4m)

Service

- Full maintenance agreements
- On-call service agreements
- Service projects and upgrades
- Digital solutions
  - my.carwash
  - my.service
  - my.CarWashShop
  - my.EasyCarWash
  - my.SmartSite

€144.6m
(prior year: €137.1m)

Chemicals

- AUWA Green Car Care product range
- Sustainable cleaning, care and specialty products
- TecsLine premium Green Car Care product line
- Product range for Scandinavia with Nordic Swan Ecolabel
- Carwash Alliance

€64.7m
(prior year: €65.8m)

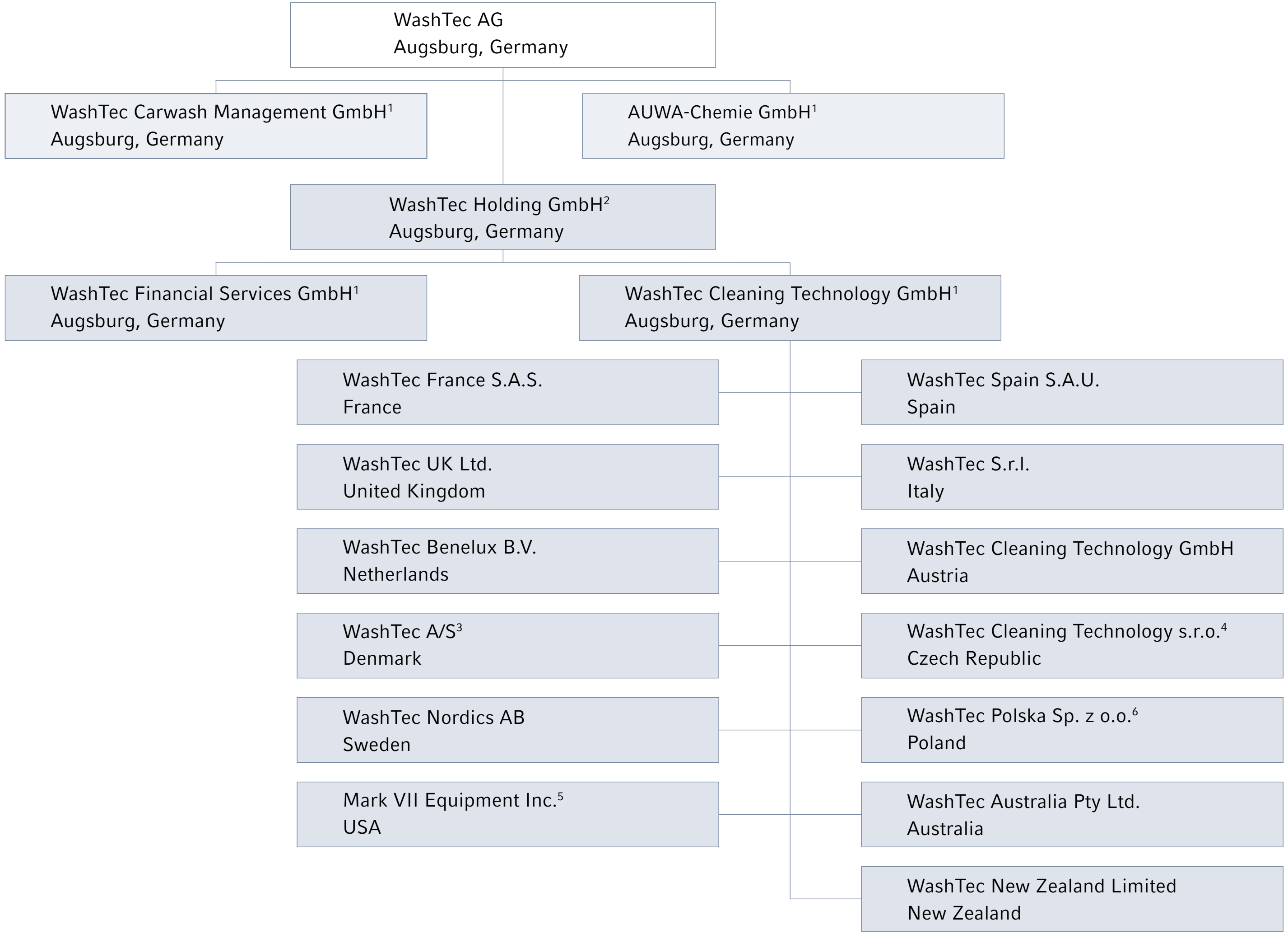
Other

- WashTec Carwash Management
- WashTec Financial Services (financing and leasing solutions)

€6.2m
(prior year: €5.2m)

Group structure

The consolidated financial statements of WashTec AG as of December 31, 2024 include the parent company and the Group companies shown below. WashTec AG directly or indirectly owns 100% of these companies.



[1] *Control and profit (loss) pooling agreement*

[2] *Profit transfer agreement*

[3] *Including subsidiary WashTec Bilvask AS, Norway*

[4] *WashTec Cleaning Technology GmbH 90%, WashTec Holding GmbH 10%*

[5] *Including subsidiary WTMVII Cleaning Technologies Canada, Inc., Canada*

[6] *Including subsidiary WashTec Operational Services Sp. z o.o., Poland*

WashTec AG

As the ultimate parent company of the Group, WashTec AG is responsible for the strategic management and control of all subsidiaries.

Since the Company does not have any operations of its own, its results of operations, financial position and cash flows are determined by the business performance of its subsidiaries. The following information therefore primarily relates to the Group. WashTec AG is discussed separately in section 2.5. The direct subsidiaries of WashTec AG are AUWA-Chemie GmbH, WashTec Holding GmbH and WashTec Carwash Management GmbH. WashTec AG has control and profit (loss) pooling agreements with AUWA-Chemie GmbH and WashTec Carwash Management GmbH and a profit transfer agreement with WashTec Holding GmbH.

WashTec Holding GmbH

With the exception of AUWA-Chemie GmbH and WashTec Carwash Management GmbH, the WashTec Group's ownership interests in operating companies are held by WashTec Holding GmbH, based in Augsburg, Germany. WashTec Holding GmbH has control and profit (loss) pooling agreements with WashTec Financial Services GmbH and WashTec Cleaning Technology GmbH.

WashTec Cleaning Technology GmbH

WashTec Cleaning Technology GmbH, based in Augsburg, handles most of the operating business. This is where the WashTec Group's main products are developed, manufactured, sold and serviced. WashTec Cleaning Technology GmbH also supplies and supports the subsidiaries and independent foreign distributors.

AUWA-Chemie GmbH

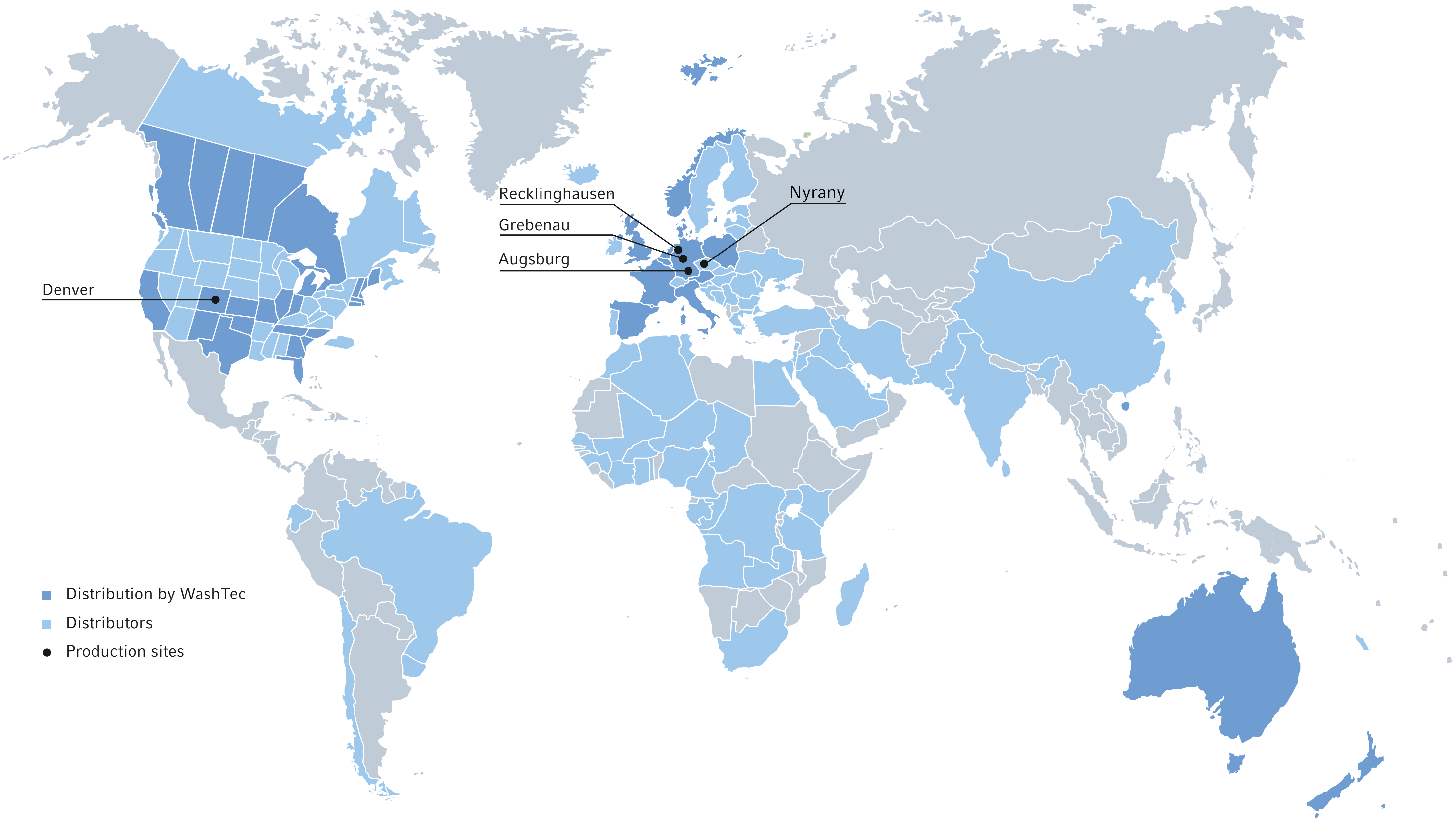
AUWA-Chemie GmbH produces chemical products for vehicle wash equipment. These are distributed through WashTec subsidiaries and independent distributors.

Foreign subsidiaries

The WashTec Group is represented by the Company's own subsidiaries in the Netherlands, France, Denmark, Norway, Sweden, Italy, Spain, the United Kingdom, Austria, Czech Republic, Poland, the United States, Canada, Australia and New Zealand. They are responsible for sales and service for WashTec products. Until December 31, 2023, WashTec also had a subsidiary in China. The Chinese market has since been developed as a distributor market. In 2024, the previous independent sales partner in Poland was taken over in order to strengthen our market position there, particularly in service and support. An overview of the production locations is provided under the heading "Production, sourcing and logistics".

WashTec Financial Services GmbH and WashTec Carwash Management GmbH

WashTec Financial Services GmbH and WashTec Carwash Management GmbH provide services relating to the sale and operation of carwashes, such as brokering bespoke financing arrangements and services in connection with the operation of carwash equipment.


Recklinghausen
Grebenau
Augsburg
Nyrany
Denver
Distribution by WashTec
Distributors
Production sites

Locations

The WashTec Group's global footprint is a key success factor. WashTec has around 1,750 employees worldwide and subsidiaries in all of WashTec Group's main markets.

In addition, WashTec has a broad network of independent distributors and is thus on the map in over 80 countries throughout the world.

Production, sourcing and logistics

WashTec has a global procurement and production network with production facilities in Germany, the Czech Republic and the USA. Most of the equipment for worldwide distribution is assembled in Augsburg, Germany. Gantry carwashes are produced for the North American market in Denver (USA). Much of the sheet metal production takes place in the Nýřany (Czech Republic). Components are also preassembled there for gantry carwashes and self-service wash equipment. The Company has two other sites in Germany producing control units for the entire Group (Recklinghausen) and wash chemicals (Grebenau).

Segments

The WashTec Group's global business is divided into three geographical segments. Following the sale of the investment in the Chinese subsidiary in December 2023, and in connection with the strategy of focusing on the core segments of Europe and North America as described in the Annual Report 2023, management in its capacity as the chief operating decision maker has also made changes to the WashTec Group's segmental management structure. The former Asia/Pacific segment was merged with the Europe segment. The Europe segment was renamed "Europe and other" and also includes export activities to other countries. The North America segment comprises the activities in the USA and Canada.

Management and control

As an Aktiengesellschaft (a German stock corporation), WashTec AG has a two-tier management and supervisory structure comprising the Management Board and the Supervisory Board. The Management Board is responsible for managing the Company, sets the strategic direction and pursues the goal of sustained growth in shareholder value. The Supervisory Board, which in accordance with the Articles of Association consists of five members, appoints, advises and supervises the Management Board.

As the Group parent company, WashTec AG determines corporate strategy and overall control, resource allocation and communication with key stakeholder groups in the business environment, primarily comprising the capital market and shareholders. The Company's internal management and control is based on a value-oriented management system. This encompasses an integrated planning and control strategy, target ratios for management of the Company as well as measures for ensuring sustained and profitable growth, efficiency improvements and efficient capital management. The Company's Management Board and Supervisory Board define corporate strategy and related targets, which are implemented at all business units across all of levels of responsibility in the Group.

Monitoring is performed by way of regular meetings involving all reporting units. These include fortnightly Management Board meetings at which the divisional heads report, monthly meetings with the main divisional heads, regular international management meetings with heads of the operating companies, strategic and annual planning including capital expenditure, production and capacity planning, regular reporting and forecasting, ongoing market analysis, and regular analyses of revenue, sales, order backlog and market share. All capital expenditure projects are continuously reviewed and monitored in the same connection.

External factors influencing the business

Mobility transition

The major economic and social trend toward individualization is a key driver of continued growth in demand for mobility. The resulting traffic volumes are still largely based on individual travel. In line with the need to decarbonize and the global mobility trends, this is resulting in changes in vehicle fleets. While autonomous driving and shared mobility mean a reduction in the vehicle fleet, they also lead to increasing passenger mileage with shorter vehicle life cycles.

In addition to the size of the fleet, the type and intensity of vehicle use will also determine carwash demand in the future. Vehicles need to be cleaned no matter how they are powered and regardless of the ownership model. Shared mobility vehicles tend to be washed more frequently.

Decarbonization and sustainability

Companies' sustainability performance is crucially important to all stakeholders, creating a growing need for information and transparency. As well as the environmental performance of products, this also includes companies' carbon footprint.

The use of recirculating water recovery systems in automated vehicle washing significantly reduces the consumption of mains water compared both to hand washing and to a carwash without a water recovery system. In wash chemicals, the Green Car Care product range uses biogenic detergents without any fossil resources. These are agents that reduce the surface tension of the water for improved wetting performance.

Through its binding commitment to reduce the Company's own carbon footprint, WashTec is contributing to the global efforts to limit global warming (for further information, please see under 9, "Non-financial statement").

Economy

A key factor influencing the uptake of automated vehicle washing is a country's average per capita income. As this increases, it creates sustainable market potential worldwide, especially in regions that are transitioning from manual to automated washing. Progress here is being slowed down, however, by various factors such as inflation and the resulting high interest rates, and global crises such as the war in Ukraine and the Middle East.

Customer expectations

Customer expectations continue to focus on optimal wash results while conserving resources. Customers also expect the equipment to be easy to use. Automated carwashes are far more environment-friendly than manual washing because they use less water and chemicals. This is especially true of carwashes with water treatment systems. Modern digital systems allow operators to conveniently access and remotely monitor and control plant parameters anytime, anywhere. For the end user, speed, convenience, quality and the wash experience remain key factors.

Accordingly, the Company continues to operate on the basis that clean cars will remain a key quality criterion and hence a driver of the business model. The WashTec Group nevertheless expects changes in the operating environment, in particular with regard to the future importance and conceptual design of existing operator sites. At the same time, these developments also harbor opportunities, most of all from the provision of digital, environment-friendly solutions for carwash.

The Company closely monitors the development of external factors affecting the business in order to respond to changes in a timely manner and make the appropriate strategic choices.

1.2 Corporate objective and strategy

This section is part of section 9.1.3.1.1 of the non-financial statement

The focus of our activities is on offering the maximum possible benefit to people who wash cars professionally. This requires not only specialization to meet customer needs, but also product and service leadership to ensure the best possible technology and quality for our products. The environmental and economic sustainability of our products is a further strategic and operational focus.

Our strategy is based on following main pillars:

- Total customer care
- Optimum integrated system for carwash
- Primary focus on the core regions of Europe and North America
- Sustainability

Total customer care

With total customer care, the WashTec Group places the focus on maximum customer benefit and, based on the superior equipment and wash chemicals portfolio and advanced digital platform, offers car wash operators and consumers the most profitable carwash. Integrating the entire product and service portfolio – equipment, service and chemicals, embedded in digital solutions – is a source of major growth potential.

Optimum integrated system for carwash

With the integrated system of equipment, water treatment and biodegradable chemicals, carwash operators and consumers are ensured the most sustainable carwash. The coordinated components of the washing process also enable our customers to achieve the best possible wash.

Focus on core regions

In regional terms, the focus is on Europe and North America in order to better exploit the market potential available there.

Environmental sustainability

Environmental sustainability is a high priority for WashTec and relates both to our operations and to the environmental impact of our products. This strategy includes reducing the carbon emissions of our own production facilities, together with their sales and service operations, as well as reducing the amount of fresh water and energy consumption used at customer carwashes.

1.3 Control system

Key financial and non-financial performance indicators

The key financial and non-financial performance indicators used by the Company for planning and control are as follows:

Key financial performance indicators

- Revenue
- EBIT
- Free cash flow
- ROCE

The free cash flow performance indicator is defined as cash inflow from operating activities less cash outflow from investing activities.

Return on capital employed (ROCE) is defined as the ratio of EBIT to capital employed. We define capital employed as non-current assets (non-current assets including goodwill and right-of-use assets) plus net operating working capital (NOWC), calculated as the average of the reporting date figures for the last five quarters. NOWC is defined as the sum of inventories and trade receivables (including other receivables) less trade payables and prepayments on orders.

The key figures ROCE and free cash flow are only reported at Group level.

Key non-financial performance indicator

The following non-financial performance indicator is additionally used at Group level:

- Accident rate: Work accidents/million hours worked

Occupational health and safety is a top priority for WashTec. To this end, WashTec has implemented a Quality, Health, Safety and Environment Management System. Regular audits and certifications are used to track the effectiveness of workplace safety for all employees. A work accident is defined as an accident at work (excluding commuting accidents) with a period of absence of at least one working day (excluding accident day).

Opportunities and risk management

Responsible management of business risks is one of the principles of good corporate governance. The Management Board has comprehensive Group-wide and company-specific reporting and control systems at its disposal for the recording, assessment and management of business risks. These systems are continuously developed and adapted to changing conditions. The Management Board regularly informs the Supervisory Board about existing risks, any measures taken and their development.

Details of risk management are found in the risk report, which is part of the management report. The management report contains the report required under Sections 289 and 315a of the German Commercial Code (HGB) on the internal monitoring and risk management system.

1.4 Research and development

The focus in research and development in the past fiscal year was on further evolving our SmartCare and tunnel products together with our service and digital solutions. The new SmartCare system delivers supreme wash quality while providing operators with access to all digital services. Our increasingly connected systems enable us to take smart equipment control and maintenance to the next level. Sustainability is also a key focus in this area. Further improvements were made here through a better understanding of the biological and chemical interrelationships in water treatment. New drying options and optimized spraying systems make for lower energy and chemical requirements. Innovative water treatment systems, energy-efficient equipment technology and increased use of biodegradable washing chemicals contributed significantly to a more sustainable future for carwash.

In total, some 80 employees work in research and development at the WashTec headquarters in Augsburg on solutions that maximize modularity and reusability. International patents secure the future solution space for WashTec.

Total operating research and development expenditure in the WashTec Group amounted to approximately €16.5m in 2024 (prior year: €14.2m). These also include external services in the amount of €2.6m (prior year: €1.4m). The Group’s capitalized development costs came to €1.9m in fiscal year 2024 (prior year: €1.6m) and mainly related to the development of software for the digitalization and service platform.

2

Report on economic position

2.1 Overall economic and industry-specific environment and conditions

Overall economic development

Global economic development

Development of the gross domestic product*

	Forecast 2024	Actual 2024	Forecast 2025
Germany	0.5%	−0.2%	0.3%
Euro area	0.9%	0.8%	1.0%
USA	2.1%	2.8%	2.7%
China	4.6%	4.8%	4.6%
Developing and emerging markets	4.1%	4.2%	4.2%
World	3.1%	3.2%	3.3%

**International Monetary Fund (IMF) World Economic Outlook, January 17, 2025*

The global economy maintained a constant level of growth in 2024 compared to 2023. A positive impact came from the decline in inflation. Key interest rates were cut as inflation has moved closer to central banks' targets. Growth was further stimulated by recovering real incomes, easier borrowing conditions and stabilizing labor markets. Weak industrial production and low exports in the eurozone and the real estate market crisis in China had a negative impact. Global economic developments continued to be shaped by geopolitical tensions in Ukraine and the Middle East and by global trade conflicts.

In its forecast for 2025, the International Monetary Fund (IMF) predicts that industrialized economies will show a mixed picture. Positive growth impetus is expected from the USA in particular due to stable demand, robust labor markets and less restrictive fiscal policy. The euro area is expected to see a slight upturn in growth. Structural disadvantages, potential trade conflicts and high energy costs cloud the outlook here. Emerging and developing economies continue to grow at consistently high rates. Overall, the IMF expects stable global economic growth in 2025 at the same level as in 2024.

Sectoral development

The German economy continued to contract slightly in 2024, falling significantly behind the rest of Europe. Despite higher wages and lower average inflation, consumer spending increased at a slower pace than expected. This had a significant impact on the mechanical engineering sector. According to the Mechanical Engineering Industry Association (VDMA), the high level of economic uncertainty and the tense geopolitical situation in particular led to a sharp fall in new orders for the German machinery and mechanical engineering sector in 2024. In real terms, orders were 8% down on the prior year. Domestic orders fell by 13% and foreign orders by 5%. Even though the VDMA anticipates an economic recovery due to rising consumption and greater willingness to invest as a result of falling interest rates, output is expected to decline by 2% in 2025.

For 2025, the ifo Institute does not predict an economic recovery in Germany and continues to expect low overall economic growth. This forecast is in line with the German government's expectations, which are for growth of 0.3% in 2025. Even if there is a gradual recovery in global demand, bureaucracy and structural challenges mean that Germany's export-driven industrial sector may not be able to benefit. These factors are likely to keep investment behavior subdued. The recovery in consumer spending is expected to continue, which will help to mitigate the above-mentioned negative trend.

Market for carwash equipment

Customer groups

WashTec's customers are predominately operators of filling stations that offer on-site carwashes, with which they generate a substantial part of their earnings. These customers include multinational petroleum companies, retailers (convenience stores), individual filling station operators and operator chains. Additional key customer groups include carwash operators, automobile repair shops, supermarket chains, road freight companies and public transport operators.

Competition

WashTec's own research shows it to be the global market leader with an installed base of over 43,000 units of vehicle wash equipment. In Europe – a developed market with intense competition – WashTec leads the market by a wide margin in terms of market coverage and market share. The North American market, with a large proportion of conveyor tunnel carwashes, is more fragmented on the customer and supplier side than Europe. European and American competitors contend for a developed market in Australia and New Zealand.

Sales markets

Europe remains the largest sales market. Based on the Group strategy, North America in particular is targeted to account for a higher percentage of the Group's total revenue in the medium to long term. In addition, the aftersales business with service and chemicals should increasingly contribute to the overall growth of the WashTec Group through new products and stronger focus on this area of business.

2.2 Group business performance

The following section examines the WashTec Group's business performance. WashTec AG is discussed separately in section 2.5.

The general economic environment for the world economy did not change significantly in fiscal year 2024 compared to the International Monetary Fund (IMF) forecasts presented in the Annual Report 2023. This was not the case for Germany, where the forecast was for growth of 0.5%, whereas in fact economic output contracted by 0.2%. In the German machinery and mechanical engineering sector, the downward trend in order intake that set in at the beginning of the fiscal year continued throughout the year. This also affected the WashTec Group, where it was particularly noticeable in sales volumes in the direct sales business.

		2023	Guidance 2024	2024	Change year on year
Revenue	€m	489.5	±3%	476.9	–2.6%
EBIT	€m	41.9	Increase in mid single-digit percentage range	45.5	8.6%
Free cash flow	€m	46.1	€30m–€40m	39.5	–14.3%
ROCE	%	21.5	±1 percentage point	23.6	2.1 percentage points
Accident rate (work accidents/million hours worked)		4.2	<4.2	6.4	2.2

The WashTec Group generated **revenue** of €476.9m in fiscal year 2024, a decrease of €12.6m or 2.6% on the prior year (€489.5m). This means it met the target communicated in the Annual Report 2023 of revenue in the range of ±3% relative to the prior year.

The year-on-year decline in revenue was mainly due to lower revenue in the equipment business. Revenue here was down 7.1% year on year, at €261.4m (prior year: €281.4m). The weaker revenue is due to lower sales volumes, particularly with key accounts in North America and in the direct sales business. Key account business in Europe and other developed positively, while the direct sales business was down on the prior year in both segments. The weaker performance in the direct sales business is mainly due to a smaller order backlog at the beginning of the year and to the modest order intake in the first few months of the year as a result of high interest rates and market uncertainty. In Service, on the other hand, revenue increased significantly by €7.5m to €144.6m (prior year: €137.1m) thanks to process optimization and digitally connected equipment. Chemicals revenue fell slightly from €65.8m to €64.7m, which mainly related to initial purchases of chemicals at a new customer in the prior year.

Currency effects had no significant impact on revenue performance in the fiscal year under review.

In the **Europe and other** segment, as forecast, the revenue of €394.7m was on a par with the prior year (€390.0m*). The **North America** segment, on the other hand, fell short of its revenue target, largely due to a lack of orders from key accounts. Revenue was €85.2m (prior year: €102.9m). In US dollars, revenue amounted to USD 92.1m (prior year: USD 111.1m).

Mainly due to an improvement in gross profit, **EBIT** rose significantly by 8.6% to €45.5m (prior year: €41.9m). The implemented efficiency measures contributed here. The EBIT margin was 9.5% (prior year: 8.6%). This exceeded the Company's forecast of a mid-single-digit percentage increase in EBIT.

In the final quarter of the year, revenue rose significantly by 7.4% to €142.6m (prior year: €132.8m), the second-highest quarterly revenue in the Company's history. The increase is mainly due to significantly higher sales of equipment to key accounts in the Europe and other segment. Fourth-quarter EBIT, at €17.9m, is WashTec's highest ever quarterly EBIT. It is well above the already high prior-year level (€15.0m). The EBIT margin was 12.6% (prior year: 11.3%) and thus significantly higher than in the prior-year quarter.**

At €39.5m, WashTec generated **free cash flow** at the upper end of the guidance range for 2024. The smaller absolute figure compared to the prior year (€46.1m) is mainly due to the higher net operating working capital at the year-end.

ROCE stood at 23.6% (prior year: 21.5%). The target of ROCE on a similar level to the prior year (±1%) was thus exceeded due to the more positive EBIT performance. ROCE rose by 210 basis points compared to the prior year. The denominator, capital employed, decreased by €1.5m or 0.8% year on year. At the same time, Group EBIT improved by €3.6m or 8.6%.

The **accident rate** for the year was 6.4 due to several minor accidents, without any systematic cause. The target set for 2024 of an accident rate less than 4.2 was not met.

Overall, 2024 was another year of challenges, but also of opportunities and successes for the WashTec Group. Despite global economic uncertainties, WashTec met or exceeded the financial targets set for fiscal year 2024.

Order backlog

Orders received in the fiscal year under review were on a par with the prior year. While orders received from key accounts were down, largely due to the trend in North America, orders received from direct customers increased in both segments. The year-end order backlog was on a level with the prior year.

** Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024.*
*** This paragraph was not subject to an audit by the auditor.*

2.3 Group financial position and cash flows

2.3.1 Results of operations

Income statement

The following table shows the income statement of the WashTec Group:

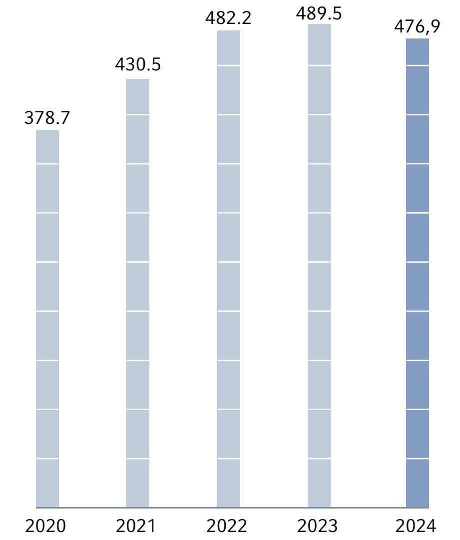
In €m	2024	2023	Change	
			absolute	in %
Revenue	476.9	489.5	–12.6	–2.6
Cost of sales	–329.2	–352.9	23.7	6.7
Gross profit	147.7	136.5	11.2	8.2
Gross profit margin in %	31.0	27.9	310 bps	–
Research and development expenses	–16.5	–14.2	–2.3	–16.2
Selling expenses	–63.3	–62.5	–0.8	–1.3
Administrative expenses	–21.2	–18.6	–2.6	–14.0
Other income and expenses	–1.2	0.5	–1.7	–340.0
EBIT	45.5	41.9	3.6	8.6
EBIT margin in %	9.5	8.6	90 bps	–
Financial result	–3.2	–3.5	0.3	8.6
EBT	42.3	38.4	3.9	10.2
Income taxes	–11.3	–10.4	–0.9	–8.7
Net income	31.0	28.0	3.0	10.7
Earnings per share (€)	2.32	2.09	0.23	11.0

Bp: basis point (1/100th of a percentage point)

Group revenue

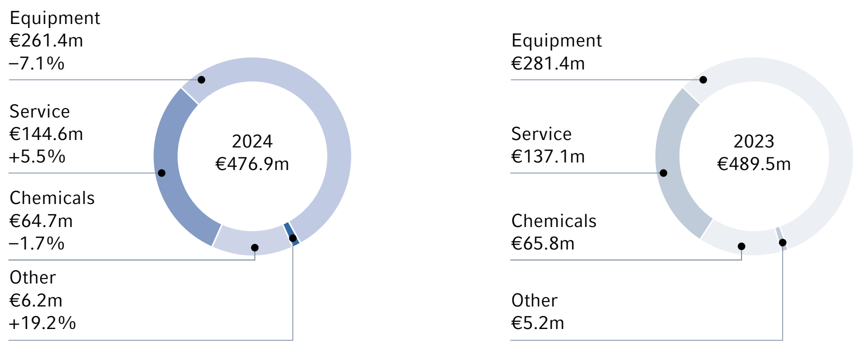
The WashTec Group generated revenue of €476.9m in the year ended December 31, 2024, down €12.6m or 2.6% on the prior year (€489.5m).

Revenue in €m, multi-year comparison



Detailed discussion of the development of the individual segments is provided under “Reporting by segment” in section 2.3.2.

Revenue by products in €m



At €261.4m, equipment revenue was down €20.0m on the prior-year figure (€281.4m). As well as to the lower level of direct sales business, the weaker revenue was due in particular to lower sales volumes with key accounts in North America. In contrast, key account business in Europe and other developed positively. The development of the direct sales business is more heavily impacted by the general economic uncertainty. In addition to the lower order backlog at the beginning of the year, this mainly manifested itself in a general reluctance to buy, with subdued levels of orders received in the first few months of the year.

By contrast, Service revenue increased significantly by €7.5m to €144.6m (prior year: €137.1m). This is a result of process optimization and digitally connected equipment in this business area. At the end of the year, WashTec had over 11,000 units connected online – an increase of around 15% on the prior year.

Chemicals revenue fell slightly from €65.8m to €64.7m, which mainly related to initial purchases of chemicals at a new customer in the prior year.

Other revenue, mainly from the arrangement of financing and the operations business, accounts for around 1.3% of the WashTec Group's total revenue.

Further information on the income statement

Gross profit

At €147.7m, gross profit was a significant 8.2% higher than the prior-year figure of €136.5m. Gross profit thus increased at a higher rate than revenue. This was due partly to efficiency programs to optimize production costs and partly to price increases implemented in the last few years. The gross profit margin improved from 27.9% in the prior year to 31.0%.

Research and development expenses

Research and development expenses were higher than the prior year, at €16.5m (prior year: €14.2m). The increase mainly related to additional activities to speed up the exploitation of market potential in Europe and North America. New product development costs of €1.9m were capitalized in the reporting year (prior year: €1.6m) and will be amortized in subsequent periods. Amortization of research and development expenditure capitalized in prior years totaled €1.1m (prior year: €0.8m). The capitalization ratio was 11.5% (prior year: 11.3%). As of December 31, 2024, around 80 employees (prior year: around 70 employees) worked in research and development. This represents 4.5% (prior year: 4.1%) of the workforce.

Selling expenses

Selling expenses increased by €0.8m, from €62.5m to €63.3m. Outgoing freight costs decreased by €1.2m due to lower volumes, while selling and marketing expenses increased by €2.0m, mainly due to the two-yearly UNITI trade fair and investments in chemical distribution. Selling expenses as a percentage of revenue went up from 12.8% in the prior year to 13.3%.

Administrative expenses

Administrative expenses in the reporting year, at €21.2m, were €2.6m higher than in the prior year (€18.6m). This was mainly due to one-off expenses totaling around €1m in connection with the change of CEO and higher expenses for IT projects.

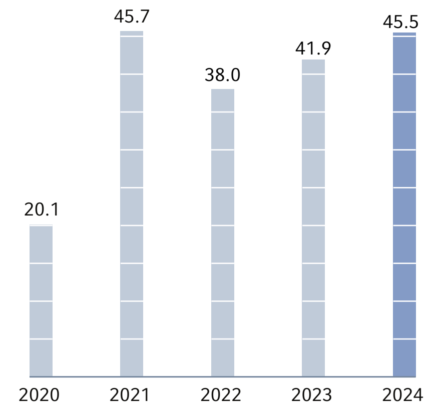
Other income and expenses

Other income and expenses were significantly lower than the prior year, at €–1.2m (prior year: €0.5m). The decline in this item is mainly due to lower insurance refunds and higher loss allowances on receivables.

EBIT

Earnings before interest and taxes (EBIT) were up 8.6% to €45.5m (prior year: €41.9m).

EBIT in €m, multi-year comparison



A presentation of EBIT by segments is provided under “Reporting by segment” in section 2.3.2.

EBIT margin

The EBIT margin increased due to the improved gross profit margin to 9.5% (prior year: 8.6%).

Financial result

The financial result improved to €–3.2m (prior year: €–3.5m). This is mainly due to lower average total debt over the fiscal year.

Analysis of financial result

In €m	2024	2023
Other interest income	0.4	0.2
Income from financial instruments	0.1	0.1
Financial income	**0.5**	**0.2**
Interest-bearing loans	2.6	2.8
Interest expense from discounting lease liabilities	0.7	0.4
Other interest expense	0.4	0.5
Financial expense	**3.6**	**3.7**
Financial result	**–3.2**	**–3.5**

EBT

Earnings before tax (EBT) increased to €42.3m (prior year: €38.4m).

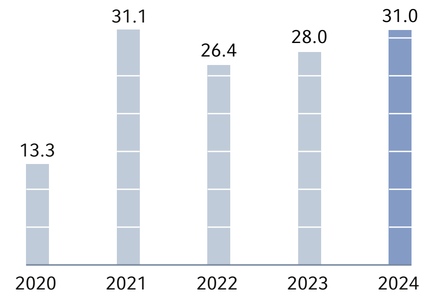
Income taxes

The income taxes of €11.3m (prior year: €10.4m) consist of current taxes and deferred taxes mainly relating to temporary differences. The tax rate (relative to EBT) was 26.7% (prior year: 27.2%).

Net income

Net income improved by €3.0m to €31.0m (prior year: €28.0m). On the basis of the unaltered average number of shares (13,382,324), earnings per share (basic = diluted) increased by 11.0% to €2.32 (prior year: €2.09).

Net income in €m, multi-year comparison



Use of funds/dividend proposal

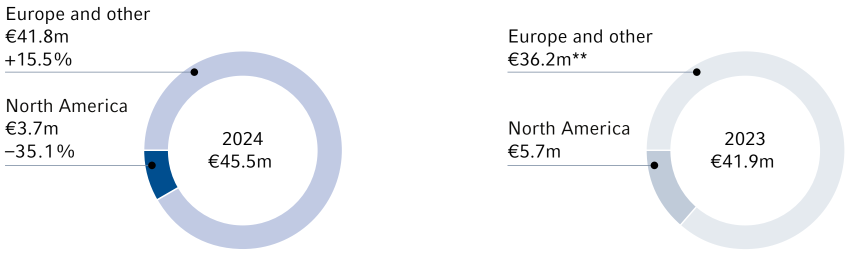
WashTec will continue to pursue an attractive dividend policy going forward. The Management Board and Supervisory Board intend to recommend to the Annual General Meeting, which is scheduled for May 13, 2025, to appropriate the distributable profit of €33,950,773.69 shown in the annual financial statements of WashTec AG for fiscal year 2024 as follows: Distribution of €2.40 per eligible share, totaling €32,117,577.60, with the remaining distributable profit of €1,833,196.09 to be carried forward.

2.3.2 Reporting by segments

The performance of reportable segments in the WashTec Group is assessed by the Management Board of WashTec AG as the chief operating decision maker. For the change in reportable segments from fiscal year 2024 onwards, please refer to the Notes to the Consolidated Financial Statements (Note 7) for fiscal year 2024. Comparative information has been prepared on the basis of the new structure.

Revenue by segments in €m*

EBIT by segments in €m*



Europe and other

Europe and other segment key figures

		2024	2023	Change
Revenue	€m	394.7	390.0*	1.2%
EBIT	€m	41.8	36.2	15.5%
EBIT margin	%	10.6	9.3*	130 bps
Employees (as of Dec 31)	persons	1,521	1,444*	5.3%

Market environment

Alongside North America, the wash equipment market in the Europe and other segment is one of the most developed vehicle wash markets in the world. It has the highest number of installed carwashes and well-developed provider services and distribution structures.

WashTec's customers in the Europe and other segment are predominately operators of filling stations that offer on-site carwashes, with which they generate a substantial part of their earnings. These customers include multinational petroleum companies, retailers (convenience stores), individual filling station operators and operator chains. Additional key customer groups include carwash operators, supermarket chains, car dealerships and repair shops, road freight companies and public transport operators.

Competition in this segment is intense and limited to just a few manufacturers. A key factor is a market-wide service network and installed base. The barrier to entry for new competitors is correspondingly high. According to its own research, WashTec is the clear market leader in terms of market coverage and market share, and has by far the most well-established sales and service network and by far the largest installed base of gantry carwashes in Europe's core markets.

Bp: basis point (1/100th of a percentage point)
** Cross-segment consolidation effects are disregarded. Percentage change relative to comparative period.*
*** Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024. Revenue at the subsidiary in China, which was still part of the WashTec Group in the prior-year period, totaled €6.4m (EBIT €–0.7m).*

Business development in the past financial year was characterized by a general reluctance to buy – particularly in the direct sales business in the first few months of the year – but was satisfactory overall.

Revenue

In the Europe and other segment, revenue increased by 1.2% to €394.7m (prior year: €390.0m*). Adjusted for the €6.4m revenue of the Chinese subsidiary, which was still part of the WashTec Group in the prior-year period, revenue in this segment was up 2.7% on the prior year. In equipment, sales performance was characterized in particular by growth in key accounts, while revenue growth in the direct sales business was below the prior-year level. The volume of business in Service increased overall. Revenue in the Chemicals business remained at the prior-year level. This reflected initial purchases for stations belonging to a key account in the prior year.

Earnings

At €41.8m, EBIT in the Europe and other segment was significantly higher than in the prior year (€36.2m*). The EBIT margin was 10.6% (prior year: 9.3%*) and thus back in double figures (last seen in 2021). The implemented efficiency measures were the main contributing factor here.

The comparative information has been prepared on the basis of the modified reporting structure applicable from January 1, 2024.

North America

North America segment key figures

		2024	2023	Change
Revenue	€m	85.2	102.9	–17.2%
EBIT	€m	3.7	5.7	–35.1%
EBIT margin	%	4.3	5.5	–120 bps
Employees (as of Dec 31)	persons	249	243	2.5%

Bp: basis point (1/100th of a percentage point)

Market environment

New registrations of cars and light trucks have increased significantly in North America in recent years. Slight population growth and growth in the number of vehicles are expected to continue in the future.

According to our own analyses, the key customer groups in North America – alongside a number of major customers – are independent small or medium-size carwash chains and retailers (convenience stores). The ratio of conveyor tunnel systems to gantry carwashes is above the global average, largely due to consumer preferences, with consumers attaching particular importance to rapid and frequent washing.

Revenue

Revenue in North America decreased from €102.9m in the prior year to €85.2m. In US dollars, revenue fell by 17.1% to USD 92.1m (prior year: USD 111.1m). This was mainly due to lower sales volumes, particularly with key accounts, and general reluctance to buy in the direct sales business.

Earnings

EBIT in North America fell by €2.0m to €3.7m (prior year: €5.7m) due to the weak business development. The measures implemented last year to increase profitability in this segment on a lasting basis meant that despite a significant fall in revenue, EBIT decreased disproportionately with an EBIT margin of 4.3%.

2.3.3 Net assets

Asset and capital structure

Condensed consolidated balance sheet: assets

In €m	Dec 31, 2024	Dec 31, 2023	change	
			absolute	in %
Fixed assets*	109.1	102.9	6.2	6.0
Receivables and other assets	91.4	93.5	–2.1	–2.2
Inventories	55.1	54.8	0.3	0.5
Deferred tax assets	4.6	3.5	1.1	31.4
Cash and cash equivalents	19.5	16.7	2.8	16.8
Total assets	**279.7**	**271.3**	**8.4**	**3.1**

Condensed consolidated balance sheet: equity and liabilities

In €m	Dec 31, 2024	Dec 31, 2023	change	
			absolute	in %
Equity	88.5	85.8	2.7	3.1
Interest-bearing loans	43.9	39.1	4.8	12.3
Liabilities and provisions	113.5	115.6	–2.1	–1.8
of which provisions (including income taxes)	25.9	27.1	–1.2	–4.4
of which trade payables	19.6	24.0	–4.4	–18.3
Contract liabilities	31.5	29.1	2.4	8.2
Deferred tax liabilities	2.2	1.7	0.5	29.4
Total equity and liabilities	**279.7**	**271.3**	**8.4**	**3.1**

** Property, plant and equipment, goodwill, intangible assets and right-of-use assets*

Assets

The goodwill included in the WashTec Group's **non-current assets** amounted to €43.9m (prior year: €43.3m). The increase compared to the prior year is due to the acquisition of the Polish distributor. Property, plant and equipment primarily consists of the items land and buildings in the amount of €22.5m (prior year: €21.7m) and technical equipment and machinery in the amount of €8.4m (prior year: €8.9m). Also included are right-of-use assets in the amount of €20.8m (prior year: €18.4m). Intangible assets amount to €10.4m (prior year: €7.4m). Of the additions to intangible assets, €1.5m related to software acquired under a cooperation agreement to advance the digitalization of the product portfolio.

Receivables and other assets went down from €93.5m in the prior year to €91,4m. Due to the strong business performance in the fourth quarter, trade receivables increased by €8.9m. This increase was offset by a decrease in receivables from tax authorities in the amount of €10.8m, which mainly relates to the reimbursement of investment income withholding tax prepayments.

At €55.1m, **inventories** at the year-end were on a par with the prior year (€54.8m).

Deferred tax assets increased in total from €3.5m to €4.6m and mainly relate to temporary differences between the tax base and IFRS carrying amounts.

Cash and cash equivalents went up from €16.7m in the prior year to €19.5m at the reporting date.

Equity and liabilities

Equity amounted to €88.5m, compared to €85.8m at the prior-year reporting date. At 31.7%, the equity ratio was on a similar level to the prior year (31.6%).

Interest-bearing loans increased significantly compared to December 31, 2023, from €39.1m to €43.9m, partly due to the rise in net operating working capital (NOWC) as of the reporting date following the strong fourth-quarter business performance.

Lease liabilities amounted to €21.8m as of the reporting date, on a similar level to the prior year (€19.4m).

Net financial debt (cash and cash equivalents less interest-bearing loans and lease liabilities) consequently stood at €46.3m as of December 31, 2024 (prior year: €41.9m).

The **Provisions** (including income tax liabilities) of €25.9m (prior year: €27.1m) mainly comprise provisions for personnel (including pensions) in the amount of €11.1m (prior year: €11.5m), partial retirement in the amount of €2.2m (prior year: €2.4m) and warranties in the amount of €6.5m (prior year: €7.0m).

Trade payables fell from €24.0m to €19.6m at the reporting date.

At €31.5m, **contract liabilities** were at the prior year's level (€29.1m). This item includes prepayments on orders from customers, which have risen compared to the prior year, and deferred income for full maintenance, extended guarantees and prepaid service agreements.

At €2.2m, **deferred tax liabilities** were at a similar level to the prior year (€1.7m). They relate to temporary differences between the tax base and IFRS carrying amounts.

2.3.4 Financial position

Capital structure

As part of centralized financial management, the companies of the WashTec Group are financed through WashTec Cleaning Technology GmbH. The Company's liabilities are denominated in euros and US dollars. The base interest rate on the loans is variable and linked to EURIBOR, €STR and SOFR. As of December 31, 2024, the Group had one credit line totaling €99.3m (prior year: €99.7m) consisting of demand facilities terminable on one month's notice totaling €60.0m (prior year: €60.0m) and facilities with remaining terms of 15 to 48 months as of December 31, 2024 totaling €39.3m (prior year: €39.7m). The credit lines may be drawn on both as credit and as guarantee facilities.

The undrawn amount of the credit line available for future operating activities and to meet obligations was €41.4m as of the reporting date (prior year: €56.5m). Further information is provided in Notes 28 and 32.

Capital expenditure, depreciation and amortization, and impairments

Capital expenditure, at €8.4m, was lower in the reporting year than in the prior year (€14.7m). The focus of capital expenditure, accounting for €8.1m (prior year: €6.6m*) was on the Europe and other segment. The increase in this segment was mainly due to capital expenditure on future digital products and solutions. In the prior year, capital expenditure included €9.5m (USD 10.3m) for the acquisition of the site occupied by the American subsidiary.

In addition, there was an addition of €0.7m from the acquisition of the longstanding Polish distributor.

Depreciation and amortization is recognized on a straight-line basis over the economic useful life of the asset.

Goodwill is not amortized but is tested annually for impairment. The impairment test is based on the Group-level internal planning for 2025 to 2029.

Cash flow statement

The **net cash inflow from operating activities** decreased significantly by €12.1m to €49.7m (prior year: €61.8m). This is mainly due to the increase in net operating working capital, largely relating to the higher level of trade receivables as a result of the strong business performance in the fourth quarter. When comparing the net cash inflow from operating activities with the prior year, it should be noted that the prior-year year figure included the positive effects from the reduction in inventories and the reduction in receivables following the record revenue in the fourth quarter of 2022.

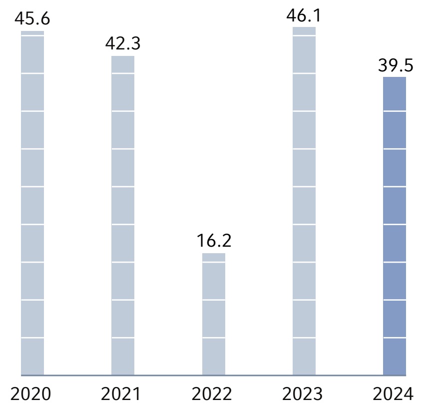
In €m	2024	2023	Change	
			absolute	in %
Net income	31.0	28.0	3.0	10.7
Net cash inflow from operating activities	49.7	61.8	–12.1	–19.6
Net cash outflow from investing activities	–10.2	–15.7	5.5	35.0
Free cash flow	39.5	46.1	–6.6	–14.3
Net cash outflow from financing activities	–44.0	–34.4	–9.6	–27.9
Net change in cash funds	–4.5	11.8	–16.3	–138.1
Net foreign exchange difference	0.6	–0.2	0.8	400.0
Cash funds as of Jan 1	–15.6	–27.1	11.5	42.4
Cash funds as of Dec 31	–19.5	–15.6	–3.9	–25.0

The **net cash outflow from investing activities** amounted to €–10.2m in fiscal year 2024 (prior year: €–15.7m) and mainly relates to capital expenditure on non-current assets – see under “Capital expenditure, depreciation and amortization, and impairments” and the information on non-current assets under “Net assets”. It additionally includes €0.8m in payments for fulfilment of contractual agreements relating to the acquisition of the New Zealand subsidiary. Also included is an amount of €1.3m for the payment of the purchase price (net of cash acquired) for the acquisition by WashTec Polska Sp. z o.o. of 100% of the shares in its long-standing distribution partner Mayco-WashTec Sp. z o.o., Kraków, Poland. This acquisition enables WashTec to further strengthen its market position in Poland, offer customers even better service, expand its product range and services, and benefit from the combined know-how. In the prior year, this item included €9.5m (USD 10.3m) for the acquisition of the site occupied by the American subsidiary and €–1.2m in cash inflows and outflows in connection with the sale of the Chinese subsidiary and the acquisition of the New Zealand subsidiary.

The comparative information has been prepared on the basis of the modified reporting structure applicable from January 1, 2024.

Free cash flow (net cash inflow from operating activities – net cash outflow from investing activities) decreased to €39.5m (prior year: €46.1m).

Free cash flow in €m, multi-year comparison

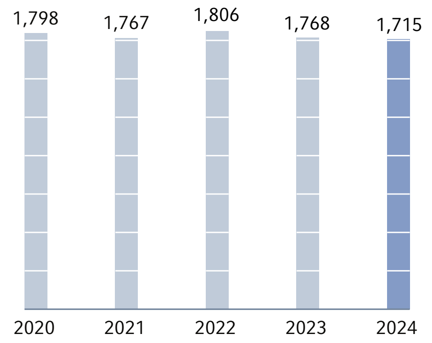


The **net cash outflow from financing activities** amounted to €–44.0m (prior year: €–34.4m), mainly consisting of the €29.4m dividend payout (prior year: €29.4m). In addition, this item primarily included the repayment of interest-bearing loans and lease liabilities. In the prior year, it included a €9.5m cash inflow from taking out interest-bearing loans in connection with the purchase of the site in the USA.

Cash funds decreased to €–19.5m as of December 31, 2024 (prior year: €–15.6m). This is made up of cash and cash equivalents in the amount of €19.5m (prior year: €16.7m) and bank overdrafts in the amount of €–39.0m (prior year: €–32.3m). The Company was able to meet its payment obligations at all times.

2.4 Employees

Average number of employees by year, multi-year comparison



The average number of employees at WashTec during the year was 1,715 (prior year: 1,768). The number of employees increased by 83 to 1,770 as of December 31, 2024 (prior year: 1,687). Thirteen employees were added as of December 31, 2024 on the initial consolidation of the Polish subsidiary WashTec Operational Services Sp. z o.o. as of September 4, 2024. Capacity was also expanded in research and development and in sales.

The WashTec Group ensures that its employees receive adequate wages. In Germany in particular, with the exception of AUWA-Chemie GmbH, the WashTec Group is subject to collective agreements with trade union IG Metall. Collective agreements with trade union IG Bergbau, Chemie, Energie serve as benchmarks at AUWA-Chemie GmbH.

2.5 WashTec AG (supplementary disclosures in accordance with the German Commercial Code)

WashTec AG, domiciled in Augsburg, is the parent company of the WashTec AG and such is responsible for the strategic corporate management and control of the subsidiaries. Since the Company does not have any operations of its own, its results of operations, financial position and cash flows are determined by the business performance of its subsidiaries.

The business performance of WashTec AG to a large extent corresponds to that of the WashTec Group, which is described in detail under “Business performance”. The forecast of a mid-single-digit percentage increase in WashTec AG’s net income for the period in fiscal year 2024 was significantly exceeded at +12.1%, mainly due to the improved business performance of the subsidiaries.

Income statement of WashTec AG (condensed)

In €m	2024	2023	Change	
			absolute	in %
Revenue	3.6	3.5	0.1	2.9
Personnel expenses	3.2	2.0	1.2	60.0
Other operating expenses	3.2	3.8	–0.6	–15.8
Investment result	44.6	37.2	7.4	19.9
Net income for the period	33.3	29.7	3.6	12.1
Profit carried forward	0.6	0.4	0.2	50.0
Distributable profit	**34.0**	**30.1**	**3.9**	**13.0**

Earnings

Revenue at WashTec AG – HGB-basis, meaning as measured in accordance with the German Commercial Code – increased to €3.6m (prior year: €3.5m) and related to management costs charged on to subsidiaries.

WashTec AG’s **personnel expenses** (HGB-basis) of €3.2m (prior year: €2.0m) include Management Board remuneration and personnel expenses for the Legal and Investor Relations functions. In the fiscal year, they include one-off expenses in connection with the change of CEO.

Other operating expenses (HGB-basis), at €3.2m, were down on the prior year (€3.8m). The decrease is mainly due to the lower consulting fees. In the prior year, a higher figure was included for consulting services related to the cost optimization of the new product generation.

The **investment result** (HGB-basis) comprises income under control and profit (loss) pooling agreements and a profit transfer agreement in the total amount of €44.4m (prior year: €24.1m) and interest income in the total amount of €0.2m (prior year: €0.2m). In the prior year, a profit distribution from WashTec Holding GmbH was included in the amount of €13.0m.

Net income for the period (HGB-basis) increased to €33.3m (prior year: €29.7m).

Balance Sheet of WashTec AG (condensed)

In €m	Dec 31, 2024	Dec 31, 2023	Change	
			absolute	in %
Non-current assets	128.2	128.2	0.0	0.0
Receivables and other assets	39.9	39.0	0.9	2.3
Equity	163.1	159.2	3.9	2.4
Provisions	3.9	4.9	–1.0	–20.4
Liabilities	1.1	3.1	–2.0	–64.5
Balance sheet total	**168.0**	**167.2**	**0.8**	**0.5**

Financial position and cash flows

Non-current assets (HGB-basis) mainly consist of shares in affiliated companies in the amount of €128.2m (prior year: €128.2m). Management tests shares in affiliated companies annually for impairment. No impairment has been identified.

The **receivables and other assets** (HGB-basis) in the amount of €39.9m (prior year: €39.0m) primarily resulted from general clearing transactions with affiliated companies under control and profit (loss) pooling agreements and a profit transfer agreement. Also included are receivables from tax authorities.

Equity (HGB-basis) was €163.1m (prior year: €159.2m). This yields an equity ratio of 97.1% (prior year: 95.2%).

Provisions (HGB-basis) stood at €3.9m (prior year: €4.9m) and mainly related to taxes, legal and consulting expenses, auditing costs, Management Board remuneration and Supervisory Board remuneration. The decrease is mainly due to the payment of long-term Management Board remuneration for the years 2021 to 2023.

WashTec AG is **financed** by means of cash pooling with WashTec Cleaning Technology GmbH.

Opportunities and risk report

As the Group parent company, WashTec AG's main opportunities and risks are derived from the opportunities and risks of its operating subsidiaries. WashTec AG is integrated into the Group-wide risk management system. Further information can be found in the opportunities and risk report. That section also provides a description of the internal control system as required under Section 289f (1) HGB.

WashTec AG's main risks relate to the recoverability of the carrying amount of investments. In addition, there are risks associated with the amount of the profits and losses from subsidiaries under the control and profit (loss) pooling agreements and the profit transfer agreement.

Other*

The salient features of the remuneration system for the Management Board and the Supervisory Board are explained in the Notes to the Consolidated Financial Statements (Note 37). In addition, detailed descriptions of the remuneration system and the remuneration of the Management Board and Supervisory Board are contained in the Remuneration Report, which is published on the Company's website under "Remuneration of Board of Management and Supervisory Board."

The Corporate Governance Statement is reprinted in section 8 and published on the website *https://ir.washtec.de*.

Guidance

The expectations described under "WashTec business development" in the Outlook for the WashTec Group (section 4.1) also apply to the business development of WashTec AG as the ultimate Group parent company. The financial performance indicator for the business development of WashTec AG is net income for the period.

** This paragraph was not subject to an audit by the auditor.*

3 Report on subsequent events

Significant events after the balance sheet date

There have been no significant events affecting the situation of the Group or of WashTec AG after the reporting period.

4 Outlook, opportunities and risk report

4.1 Outlook

This outlook report takes into account the facts and events that were known at the time of preparation and that could impact the expected development and business performance of the WashTec Group.

4.1.1 Business policy and strategy

In fiscal year 2025 and beyond, the WashTec Group will continue to pursue the goal of profitable, largely organic growth. The focus is on maximum customer benefit through sustainable technologies and digital innovations. To strengthen its market and technology leadership in vehicle wash equipment, the company is developing digital solutions to provide customers with optimal performance and efficient services throughout the customer journey. The focus is on maximum possible benefit to people who wash vehicles professionally. Among other things, stronger (digital) customer retention and a sustainable product range will increase the average frequency with which people wash their vehicles and lead to higher revenue for WashTec, especially on the services and chemicals side.

4.1.2 Markets and products

The Company intends to continuously increase its presence and market share in the Group's main sales regions and product and service segments. WashTec generates a significant portion of revenue in Europe and aims to further extend its market position there. In addition, in the medium and long term, the company plans to significantly increase its penetration of the North American market with targeted products and services, thus contributing to revenue growth.

4.1.3 General economic conditions

A detailed description of overall economic development can be found in section 2.1 of the management report. The WashTec Group has prepared its outlook against the general backdrop of a continuing uncertain economic and geopolitical environment. It is difficult to predict how business will develop in 2025, in part because of the potential escalation of the global trade conflict and the tariff increases announced or already imposed in the United States, together with the possibility of countermeasures by other countries. On the other hand, WashTec sees positive signals for the development of the markets, particularly as a result of falling interest rates and the decline in inflation.

4.1.4 WashTec business development

The outlook for fiscal year 2025 is subject to uncertainties that could have a material effect on the planned development of key performance indicators.

Based on a largely stable price level on the sales and procurement side and a solid order backlog at the end of 2024, and in particularly against the backdrop of a stagnating carwash market, the Company expects profitable revenue growth for 2025. The planned launch of a new product generation will contribute here.

The central aim of the WashTec Group is to continuously improve operating performance. The focus for 2025 will be on further optimizing existing processes, product optimization, and investing in the development of digital solutions (subscription plans, TotalCare plans, etc.). We see the integration of our entire product and service portfolio – equipment, service and chemicals, embedded in digital solutions – as a source of major growth potential. In regional terms, we will focus on our core regions of Europe and North America in order to better exploit the market potential available there.

Specifically, the Management Board expects in its guidance that the Group-level key performance figures will develop as follows:

For the Group in fiscal year 2025, WashTec expects revenue growth in the mid-single-digit percentage range (2024: €476.9m) and an increase in EBIT that is disproportionately higher than revenue growth (i.e. in the high single-digit to low double-digit percentage range) (2024: €45.5m).

Revenue and EBIT in Europe and other are expected to develop in line with the targeted Group performance. For North America segment, a comparatively higher increase in revenue and EBIT is expected in fiscal year 2025.

The Company will continue to work on optimizing net operating working capital in 2025. As a result, the Company expects a free cash flow of between €35m and €45m (2024: €39.5m).

WashTec aims to employ the capital available to it profitably and efficiently. Return on capital employed (ROCE) is our central measure of capital efficiency. In the medium term, the WashTec Group aims for ROCE of over 25%. For the coming year, the Company expects ROCE to increase by 0.5 to 2.5 percentage points.

The accident rate (work accidents per million hours worked) in fiscal year 2025 is expected to be below the low level of 4.2 seen in fiscal year 2023 (2024: 6.4).

Revenue	Mid single-digit percentage increase
EBIT	Disproportionate increase in excess of revenue growth
Free cash flow	€35m–€45m
ROCE	Continuous increase, by 0.5–2.5 percentage points
Accident rate	Below the (low) level of fiscal year 2023

Earnings in the separate financial statements of WashTec AG depend to a substantial extent on the profit transfers from subsidiaries. The key financial performance indicator is net income for the period. The EBIT forecast described for the WashTec Group, taking into account interest and taxes, therefore also applies to the earnings development of WashTec AG as the ultimate Group parent company.

4.2 Opportunities and risk report

Risks are possible future developments or events that could lead to negative deviations from the Company’s forecasts or targets.

Opportunities are possible future developments or events that could lead to positive deviations from the Company’s forecasts or targets. A potential positive impact of a risk is also classified as an opportunity.

The WashTec Group’s international business activities give rise to opportunities and risks that are inextricably linked with its business. To address these opportunities and risks in a timely and controlled manner, the Company’s key business processes are subject to an internal monitoring and control system. This enables timely action to be taken as necessary.

4.2.1 Opportunities and risk management

Risk management

Risks are identified, analyzed, assessed, managed, documented and communicated, and these activities monitored, using a uniform, Group-wide, multi-level risk management system. The purpose of this system is to identify risks posed by future events on the basis of short-term and mid-term planning (with both a 12-month and a two-to-three-year planning horizon) and to initiate any action needed to adequately address them. The aim of including risk analysis beyond the next twelve months is to aid in timely identification of potential future risks even if their impact is not material for the coming fiscal year. In the opinion of the Management Board, this risk early warning system is capable of suitably identifying all material and going-concern risks. The risk management system used by the Group allows systematic risk recording, documentation, assessment and aggregation on the basis of recognized statistical methods.

In addition to ad-hoc risk reporting, WashTec's risk management system provides for a half-year inventory of all identified risks. These are required to be reported by divisional heads and are analyzed within the risk management system. Risks are assessed for EBIT impact – either as an absolute maximum impact figure or as a three-point estimation of a best-case, expected and worst-case impact figure – and for probability of occurrence and the effectiveness of possible countermeasures. Risks are assessed on a uniform basis. The EBIT impacts are presented in a gross/net analysis. The gross figure is the amount before any risk-mitigation measures taken. These may comprise, for example, from existing provisions, insurance policies, or planned projects and activities for preventive risk minimization. Responsibility for deciding action to be taken, implementing it and monitoring its effectiveness lies with heads of divisions. The risk management system is also audited annually by Internal Audit.

In the risk analysis, all net individual risks are simulated using Monte Carlo simulation. They are simulated and aggregated both at Group level and at risk category level. Any correlations are taken into account. The simulation is used to determine both the expected loss (net) and value-at-risk with a confidence level of 95%. Value-at-risk represents the WashTec Group's overall potential risk and is used to determine risk-bearing capacity. Risk-bearing capacity is assessed in relation to Group liquidity, equity and operating earnings (EBIT). This is done by comparing value-at-risk with the corresponding risk coverage potential.

In the analysis of individual risks, individual risks and opportunities that have a similar cause-effect relationship are aggregated in the risk analysis.

The simulated expected loss (net) per risk category is classified according to financial impact and probability of occurrence as follows:

Financial impacts on Group EBIT in €m:

1	Insignificant	<0.5
2	Minor	0.5–5.0
3	Material	5.0–10.0
4	Serious	10.0–20.0
5	Existential threat	>20.0

The probability of occurrence is indicated as follows:

1	Very unlikely	1–15%
2	Unlikely	15–40%
3	Possible	40–60%
4	Likely	60–85%
5	Very likely	85–99%

There were no changes in risk classification compared with the prior year.

Based on the combination of these two factors, all risks, aggregated by risk categories, are classified by threat potential as negligible (N), relevant (R), material (M) or threat to survival (S). The further management of risks follows on this basis.

Risk matrix

	Probability of occurrence				
Impacts	1–15%	15–40%	40–60%	60–85%	85–99%
Existential threat	R	M	M	S	S
Serious	R	R	M	M	M
Material	R	R	M	M	M
Minor	N	R	R	R	M
Insignificant	N	N	R	R	R

Opportunity management

The purpose of opportunity management is to identify, assess and manage positive future potential at an early stage and to take suitable measures for the implementation of new strategies and innovations. The identification and exploitation of opportunities (opportunity management) is an ongoing task of business geared to securing the long-term success of the Company and capitalizing on short-run advantages.

Opportunities are collated, assessed and, as far as possible, materialized for all divisions in regular budget planning and update sessions as well as in management meetings.

4.2.2 Opportunities and risks

The opportunities and risks that could have a material impact on the development of the WashTec Group as of the December 31, 2024 balance sheet date are described in the following.

Overall economic development

Risks

Uncertainty and near unpredictable changes in the global economy, financial markets and the political landscape may adversely affect the investment behavior of certain customer groups. Market access and supply conditions can also change at short notice.

In view of how the economic situation is currently developing, including the geopolitical tensions and economic uncertainties, there continue to be risks with regard to the development of material prices. The risk situation in this regard has improved slightly compared to the prior year, which is why these risks are rated lower in terms of probability of occurrence and financial impact for the coming fiscal year. Furthermore, there is a high degree of uncertainty regarding overall economic development in light of the potential escalation of the global trade conflict due to the tariff increases announced or already imposed in the United States, together with the possibility of countermeasures by other countries.

The difficult market environment and instability in Central and Eastern Europe due to the war in Ukraine may continue to have a negative impact on customer investment behavior.

Risks also remain in connection with the volatile situation in the Middle East. As little revenue is generated in this region, the direct impact on the Group's business development is considered to be non-material.

Opportunities

The easing of inflation and interest rates seen over the course of the year could lead to increased customer demand in both Europe and North America.

Climate and environment

Risks

Climate change, regional droughts and water scarcity, increasing road congestion, rising fuel costs, the proliferation of inner-city vehicle-free zones and greater general environmental awareness could all lead to fewer vehicles on the road in order to protect the environment or comply with regulations. Such a trend could diminish carwash use and, accordingly, reduce capital spending on vehicle wash equipment.

Car washing bans due to droughts, as seen in Southern and Western Europe during past years, could have a negative effect on the Group's service and chemicals business. The impacts of climate change may also result in such bans on car washing being enshrined in law in the near future.

The WashTec Group does not currently consider shifts in consumer preferences towards low-emission or zero-emission products to be significant with regard to the carwash business model, as more conscious consumer behavior only affects the choice of means of propulsion and is of secondary importance for how frequently cars are washed.

Potential changes in the way vehicles are utilized in the future, such as the increase in car-sharing models, will not materially affect WashTec's business model in the short term. In the medium term, such changes could lead to a shift from individual washing in gantry carwashes to autonomous washing in conveyor tunnel systems.

New mobility concepts could lead in the future to increased use of the existing vehicle fleet. In addition to the size of the fleet, the nature and intensity of vehicle use would then determine carwash demand. Vehicles need to be cleaned no matter how they are powered and regardless of the ownership model.

Opportunities

The scarcity and rising cost of fresh water as a resource could lead to an increase in automated vehicle washing. This is far more environment-friendly if the carwash has a water treatment system. According to the system, wash program and vehicle type, water recovery systems that recirculate wash water can significantly reduce mains water consumption.

Stricter environmental legislation results in the long term in rising demand for vehicle wash equipment with water recycling systems. Similarly, rules and regulations such as the prohibition of hand car washing could have a positive effect on demand for carwash equipment.

WashTec contributes significantly to environmental sustainability as a pioneer in the development of eco-friendly carwash chemicals.

Customers, competition and market

Risks

A freeze on capital spending by individual major customers or the listing of other suppliers due to major customers launching new bid requests for framework supply agreements could lead to a decrease in revenue and/or to losses of market share for WashTec in virtually all regions. Based on completed and ongoing negotiations, the Group's overall risk exposure in relation to major customers is estimated to be lower than in the prior year.

Given the intensive competition in the industry, there are potential risks associated with price-based competition that could lead to increased price pressure in certain markets or market segments. WashTec has implemented a comprehensive and systematic market tracking system. Revenue risks that could arise from a potential decline in demand are monitored on an ongoing basis. Appropriate measures are taken as necessary to adapt products, optimize the product range and adjust capacity.

The increasing demand for electric vehicles could lead to reduced use of filling stations as they exist today. At present, however, it is not possible to predict which recharging model will prevail for electric vehicles. However, our major customers believe that due to the existing vehicle fleet, this possibility will not have a significant impact on the number and use of filling stations over the next five to ten years.

A further risk can arise if major customers sell some or all of their (filling station) networks. The acquisition of such stations or networks by multiple buyers could mean increased selling effort and render existing contacts with decision-makers obsolete. Similarly, the termination of partnerships with distributors or service providers could lead to increased costs for sales, service or installation. Temporary constraints on service performance, such as delays in hiring technicians, could also negatively impact revenue growth in the equipment business.

Opportunities

The trend towards high-quality automated car washing will continue, including in regions outside of the developed markets. The Company's solid structure also allows it to invest in new products and markets. WashTec's smart systems launched on the market in recent years have paved the way for the Company's successful transformation into a solution provider. The digital services based on those systems enable customers to sell more washes without additional staff. In this way, WashTec is successfully solving the key customer challenges of stagnating wash volumes combined with increasing labor shortages. As well as additional service and chemicals revenue, this can also lead to added growth potential with regard to the installed base of equipment in the market. Local presence with the Company's own production plant in the North America region could lead to a positive outcome above the internally budgeted figures in the mid-term. Increasingly global procurement activities make it possible to continue unlocking further potential for efficiency gains in the procurement and production of individual components.

Closer collaboration with our independent distributors in countries where WashTec does not have subsidiaries of its own could increase sales volumes in growth regions.

Capital expenditure

Capital expenditure decisions are based among other things on assumptions and estimates about future developments. The assessment of risks and opportunities plays a key role from an early stage in the review of potential capital expenditure.

Risks

There is a risk of the assumptions or estimates made about future market developments not materializing as expected, leading to a misallocation of investment spending or development projects not resulting in the expected contributions to earnings. Such misallocation could have a negative impact on the financial position, financial performance and cash flows of the WashTec Group due to interest expense for tied-up capital and/or due to impairments. A significant increase in the duration of investment projects can also have a negative impact on the Company's earnings as a result of tied-up resources and/or cost overruns. To adequately address such risk, the Company has a detailed policy for approving capital expenditure and related spending.

Opportunities

Capital expenditure presents numerous opportunities. Depending on the type of capital expenditure, these include opportunities to strengthen WashTec's market and competitive position and/or to improve earnings. Investment in digitalization in particular could open up new opportunities in terms of products and solutions for our customers and thus generate a competitive advantage. Smart technology optimizes carwash operation, for example, and allows operators to precisely meet customer needs. Remote services can also be used to increase machine availability and enhance carwash profitability.

Innovations and patents

Risks

Product innovations carry the risk of not being taken up by the market as expected. This could result in innovations not performing and generating revenue as expected and in them falling short of market expectations. To avoid this, WashTec keeps a close watch on new market launches and tests product effectiveness at an early stage.

For any company, launching new products on the market involves additional effort and risks. As well as the additional product placement effort and the aforementioned customer acceptance risk, there is further risk potential in managing the phase-out of existing products and in quality-related problems that only become apparent after market launch.

Increasing requirements for compliance with technical and country-specific standards result in higher financial and technical expense, but this is currently not considered material to the Group's business.

Innovations by competitors, developments in the automotive industry and the emergence of new substitute technologies in related industries can have a significant and long-term impact on demand for WashTec products. However, the associated risks are primarily seen in the medium to long term and are therefore of secondary importance to risk assessment for the coming fiscal year.

Opportunities

The WashTec Group's research and development activities are aimed at adding to the existing product range, developing new wash systems and quickly and efficiently meeting individual customer requirements. Innovative products could outperform customer expectations, generate new demand and win new customer groups or lead to a shift in market share among existing customer segments.

WashTec has a large number of patents and licenses that are highly important to the Group's business and can therefore confer a competitive advantage.

IT security, quality and processes

Risks

Cyber risks are all risks to which computer and information networks and all IT-assisted business and production processes are exposed. The use of IT inevitably entails risks, which cannot ultimately be ruled out, for the stability of business processes and for the availability, confidentiality and integrity of information and data. Cyberattacks and ransomware attacks continue to grow in number and professionalism around the world. The risk in the context of cybercrime continues to be classified as relevant overall.

IT security, quality and process risks can arise in connection with new product launches and with improvements in internal processes and the introduction of new IT systems. The Company's operating processes critically depend on continuous availability of all technical systems. Were this to be at risk, it would have an overall negative impact on WashTec.

WashTec has taken appropriate measures (training, implementing improved safety systems, etc.) to reduce these risks as far as possible. In the opinion of the Company, the stability of the IT systems in recent years indicates that they are robust. Significant effort and continuous investment will nevertheless be made in the coming year to further reduce these risks.

Quality problems in the development or production of carwash equipment can result in subsequent costs for the Group or have a negative impact on future equipment sales volumes. Any defects or problems are continuously recorded, monitored and corrected by quality assurance.

Opportunities

Continuous improvement of business processes and the use of new technologies can have a positive impact on customer satisfaction. They may also lead to process efficiency gains that have not been taken into account in normal planning.

Suppliers

Risks

The purchase of raw materials, components or services involves risks related to delivery delays, insufficient product availability, quality defects and price fluctuations. Given the ongoing challenging market situation, including the geopolitical tensions and economic uncertainties, there continues to be uncertainty regarding material prices. However, this is estimated to be significantly lower than in the prior year.

The continued shortage of skilled labor in the logistics industry and uncertain transportation conditions – due to factors such as the volatile situation in the Middle East – could lead to rising transportation and logistics costs. Furthermore, the change in the political situation in the United States could result in higher tariffs and thus drive rising material prices.

Opportunities

Competition among suppliers and their innovation potential makes it possible to achieve both technical and price improvements for the procurement of products or services.

Increasingly global procurement activities make it possible to continue unlocking further potential for efficiency gains in the procurement and production of individual components.

Capacity risks

Demand fluctuations and varying production capacity utilization over the course of the year require corresponding capacity adjustments. The fact that sales volumes are higher in the final months of the year creates particular challenges in production planning.

On the basis of internal sales volume planning, capacity risks at the production sites are identified as far as possible and mitigated by the deployment of temporary workers and flexible annual working time arrangements or, in the event of extreme fluctuations, by short time working. A significant shift in the course of the fiscal year could result in sales risks due to potential difficulties in adjusting capacity with temporary workers.

Demand growth is met by continuous improvement of production processes and by timely capital expenditure on capacity expansion.

Risks of takeover or changes in ownership structure

If its stock market valuation fails to sufficiently reflect the Company's long-term intrinsic value or the WashTec Group's performance sparks the interests of new investors, then this could lead to significant changes in ownership structure or a takeover.

Such events may lead to changes in the WashTec Group's established strategy, the composition of its executive bodies and its previously communicated expectations. Some of the WashTec Group's contractual agreements (such as loan agreements) include a change of control clause.

Financial and legal risks

The base interest rate on the existing financing arrangements is variable. Further interest rate rises could negatively impact the WashTec Group's earnings. However, given the increases in recent years, the Company does not anticipate any further significant interest rate hikes. Increased utilization of the credit lines, combined with the current high level of interest rates, poses the risk of higher financing costs.

WashTec is also exposed to risks arising from different product-specific and country-specific rules, regulations and laws that affect its business activities and processes. There is a possibility that new litigation may arise and that existing litigation with contracting parties may be resolved. The Group manages these risks by involving the legal department in critical legal transactions at an early stage, by engaging external experts as necessary and by recognizing appropriate provisions. There is also a risk of compliance or data protection breaches, which could have a negative reputation impact on the Group. These risks are systematically minimized through comprehensive internal policies and a structured training program.

Exchange rate changes

Risks

Due to transactions with subsidiaries, exchange rate changes could affect operating performance. In addition, exchange rate fluctuations may affect the Group's income statement through the measurement of open foreign currency positions. To mitigate such effects when necessary, WashTec hedges against major risk with derivatives. The operational risk arising from individual transactions in foreign currencies is immaterial to the Group due to the small volume of such transactions.

Opportunities

A weakening of the euro could lead to positive currency effects on revenue in foreign currencies.

Liquidity risk

Ensuring that the subsidiaries are solvent at all times is essential for WashTec. The implemented cash management systems enable potential shortfalls to be identified in good time and appropriate action to be taken. Unutilized credit lines ensure the supply of liquidity.

Liquidity risk may arise should cash be insufficient to meet financial obligations on a timely basis, for example due to payments not included in cash budgeting.

Existing credit lines can be extended in the event that the development of the business results in additional financing requirements.

The company considers itself well positioned with regard to liquidity risks. With the currently available credit lines, the Company has sufficient liquid resources and borrowing lines to be able to be flexible and also to invest in future growth.

Credit and default risks

The WashTec Group exclusively conducts business with creditworthy third parties. To minimize credit risk, order limits are imposed in cases where customers do not have first-class credit standing. For new regional customers, the Company requests evidence of credit standing or financing. The recognized allowances for trade receivables are considered sufficient to cover the actual default risk. There is no material credit risk concentration within the Group. For selected customers, insolvency coverage is taken out with reputable credit insurers when receivables exceed a certain level.

Tax risks

The WashTec Group recognizes deferred taxes mostly in relation to temporary differences. Changes in tax legislation that affect the tax rate could result in expense from the remeasurement of recognized deferred tax assets and in higher income taxes and could thus adversely affect consolidated equity and/or earnings per share.

Further risks could arise due to ongoing pending tax audits at Group companies. Due to the international nature of the WashTec Group’s business activities, tax risks cannot be ruled out until tax audits have been concluded. Compared to the prior year, the prevailing risks have decreased now that audits have been concluded in a number of countries.

Employee risks

WashTec is highly dependent on qualified employees and specialists, especially in development, customer care and carwash equipment programming and operation. The unexpected loss of employees, changes in the age structure of the workforce or difficulties finding qualified employees could have an adverse effect on WashTec’s development. This is notably exacerbated by the current shortage of skilled labor. The situation has eased slightly in this regard relative to the prior year.

4.2.3 Overview of corporate risks

The following table shows the risks aggregated by risk category:

	Probability of occurrence	Change
Overall economic development	relevant	→
Climate and environmental risks	relevant	→
Customers, competition and market	relevant	→
Capital expenditure risks	relevant	→
Innovations and patents	relevant	→
IT security, quality and process risks	relevant	→
Supplier risks	relevant	→
Capacity risks	negligible	↘
Takeover risks	negligible	→
Financial and legal risks	negligible	↘
Currency risks	negligible	→
Liquidity risks	negligible	→
Credit and default risks	negligible	→
Tax risks	negligible	↘
Employee risks	relevant	→

4.2.4 Overall risk assessment

The established risk management system is appropriate in the assessment of the Management Board and is subject to continuous improvement. The solid business model also limits business risks and opens up additional opportunities. Aggregation of the most significant individual risks across all corporate divisions and functions provides an indication of the Group's overall risk assessment, even though it is considered unlikely that the individual risks will materialize simultaneously. The cumulative expected loss (net) across all individual risks is €18.7m as of the end of 2024 (prior year: €22.7m) and is thus slightly down on the prior year, mainly due to lower risks in key account business and reduced risks in relation to business performance in connection with the positive development of borrowing costs for customers.

Based on the individual risks presented above, the overall assessment is as follows:

The total number of risks that have a material impact on the WashTec Group is at the same level as in the prior year.

WashTec continues to face a dynamic market environment with diverse risks and opportunities. Risks related to macroeconomic developments are considered to be lower than in the prior year due to the positive interest rate trend. However, new risks may arise from potential increases in material prices, due among other things to the introduction of higher tariffs. Overall, risks related to material prices and availability are considered to be declining compared to the prior year. With regard to customers, competition and the market, risks have decreased, primarily due to the positive effects of falling interest rates and lower risks in the key account business. The impacts of climate change and environment-related regulatory requirements mainly present challenges and risks in the medium to long term. However, the Group also sees opportunities here due to rising demand for sustainable and resource-efficient wash solutions. Capital expenditure on innovative technologies and digitalization creates additional potential for strengthening the Company's competitive position. IT security risks remain relevant. The ongoing threat of cyberattacks and increasing regulatory requirements continue to demand high security standards and continuous investment in IT security measures.

Based on the findings of the risk management process, the Management Board is not currently aware of any risks that could cast doubt on the Company's ability to continue as a going concern.

Responsibility for monitoring the internal control and risk management system lies with the Audit Committee of the Supervisory Board of WashTec AG. Internal Audit monitors compliance with the legal framework and internal Group policies for the Group's control and risk management system. Measures are initiated in collaboration with the relevant management as needed. The auditor examines the risk early warning system integrated into the risk management system with regard to its fundamental suitability for identifying going concern risks. In addition, the auditor reports to the Audit Committee and the Supervisory Board on any material weaknesses identified in the internal control and risk management system as it relates to financial reporting.

5

Internal control system and **risk management system**

WashTec's risk **management system (RMS)** is described in the Risk Report under 4.2. Opportunities and risk report.

The **internal control system (ICS)** comprises all systematically defined controls and monitoring activities. It monitors principles and procedures using preventive and detective controls.

An effective and efficient internal control system is critical to the successful management of risk in business processes. The ICS covers all WashTec companies. The scope of activities to be performed by each entity varies, depending among other things on the entity's materiality to the consolidated financial statements and the specific risks associated with it. Overall responsibility for the ICS lies with the Management Board. In the manner of a compliance management system, the purpose of WashTec's ICS is to ensure effectiveness and efficiency in business activities, orderly and reliable accounting, and compliance with the legal provisions and requirements relevant to the WashTec. Accordingly, WashTec's internal control system covers all key business processes and goes beyond controls in the accounting process.

In the **accounting process**, various monitoring measures and controls help to ensure, for example, that the annual financial statements and the consolidated financial statements are prepared in accordance with requirements. WashTec uses a uniform Group consolidation system to ensure consistency. This also minimizes the risk of misstatements in accounting and external reporting. Adequate functional segregation and application of the dual control principle reduce the risk of fraudulent conduct. The coordinated processes, systems and controls provide sufficient assurance that the accounting process complies with IFRS, the German Commercial Code (HGB) and other accounting-related requirements and laws.

Group-wide accounting policies ensure the uniformity of accounting throughout the WashTec Group. New accounting requirements and changes in existing accounting requirements are examined for their impact on the WashTec Group and applied on a timely basis.

WashTec regularly performs system backups in the case of relevant **IT systems** in order to prevent data loss and system downtime as far as possible. The security policy also includes in-built system controls, manual spot checks by experienced staff, role-based permissions and physical access restrictions.

WashTec continuously develops the requirements for the internal control system and adapts the control landscape to changing processes. Internal Audit is involved in the entire process and regularly reviews the effectiveness of the internal control system as part of the risk-based annual audit plan.

*WashTec's Management Board evaluates the output of the RMS and the ICS at Management Board meetings and conducts an annual assessment of their appropriateness and effectiveness. The Management Board has no indication that the RMS and ICS (including the CMS), taken as a whole, were not adequate or effective in any material respect as of December 31, 2024. However, as part of a continuous improvement process, the Management Board recognizes the need for ongoing optimization to ensure effectiveness and efficiency. Irrespective of this, there are inherent limitations to the effectiveness of any RMS or ICS. No system considered to be adequate and effective is guaranteed to identify all risks or rule out process or control violations in all circumstances. The Audit Committee is systematically integrated into WashTec's RMS and ICS (including the CMS). In particular, the Audit Committee monitors accounting and the accounting process as well as the appropriateness and effectiveness of the ICS and the RMS.**

** This paragraph was not subject to an audit by the auditor.*

6 **Risk reporting** in relation to the use of financial instruments

The main risks for the WashTec Group arising from derivative financial instruments comprise credit, liquidity and market price risks. Company policy is to avoid or limit such risk as far as possible. The management of interest rate, currency, liquidity, credit and default risk has already been described in the risk report. When necessary, the Company also considers the use of derivative financial instruments to hedge market price risks. Interest rate and currency risks are the main market price risks. At the inception of a hedging relationship, both the hedging relationship and the Group's risk management objectives and strategies with regard to the hedge are formally designated and documented. This is described in detail in the Notes to the Consolidated Financial Statements. In accordance with Group policy, there is no trading in derivatives for speculative purposes.

7

Takeover-related disclosures

Disclosures in accordance with Section 289a and 315a HGB: Explanatory report by the Management Board

The following text contains the disclosures required under Section 289a and 315a HGB.

Subscribed capital

The Company's subscribed capital of €40,000,000 is divided into 13,976,970 no-par-value bearer shares that each grant the same rights and obligations, including the same voting rights. There are no different classes of shares. The Management Board is not aware of any restrictions relating to voting rights or the transfer of shares. There are no shares conveying special control rights.

Restrictions regarding voting rights and the transfer of shares

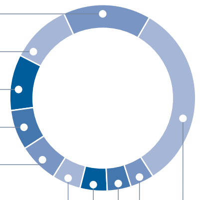
In accordance with Section 71b of the German Stock Corporation Act (AktG), the Company has no rights in respect of treasury shares it acquires. In all other respects, each share has one vote. To the Management Board's knowledge, there are no restrictions regarding voting rights or the transfer of shares.

Direct and indirect shareholdings

To the knowledge of the Management Board, 32.74% of the Company's shares (as of December 31, 2024) are held by shareholders whose stakes are below the notification threshold. According to the notifications filed under the German Securities Trading Act (WpHG), a direct shareholding above 10% of voting rights is held by EQMC ICAV (formerly EQMC Europe Development Capital Fund plc.), Ireland (15.14%). According to the notifications filed under the WpHG, an indirect shareholding above 10% of voting rights is held by Alantra EQMC Asset Management, SGIIC, S.A., Spain (15.12%) as the investment management function of EQMC ICAV and Morgan Stanley & Co. International plc, United States of America (10.61%).

Shareholder structure as of December 31, 2024

15.14%	EQMC ICAV [1]
10.61%	Morgan Stanley [2]
9.60%	Kempen Oranje Participaties N.V.
7.13%	Norman Rentrop
6.82%	Dr. Kurt Schwarz [3]
5.13%	Teslin Capital Management B.V. [4]
4.58%	Paradigm Capital Value Fund SICAV
4.25%	Treasury shares
4.00%	Diversity Industrie Holding AG
32.74%	Other



Source: Notifications pursuant to WpHG

[1] Alantra EQMC Asset Management, SGIIC, S.A. as investment management function of EQMC ICAV
[2] incl. attributable shares to Morgan Stanley & Co. International plc, United Kingdom
[3] Leifina GmbH & Co. KG et al.
[4] incl. attributable shares to Gerlin Participaties Coöperatief U.A., Netherlands, as its fund manager

According to the notifications filed under the WpHG, a direct shareholding close to but below 10% of voting rights is held by Kempen Oranje Participations N.V., Netherlands (9.60%). A further shareholding of slightly less than 10% of the voting rights is held by Morgan Stanley & Co. International plc, United Kingdom (9.35%).

Holders of shares with special control rights

There are no holders of shares with special control rights.

System of control of any employee share scheme

To the Company's knowledge, there are no employees participating in the capital who do not directly exercise their control rights.

Appointment and removal of Management Board members and amendments of the Articles of Association

The appointment and removal of members of the Management Board is governed by Section 84 and 85 AktG and by Section 7 of the Company's Articles of Association. Under Seciton 7.1 of the Articles of Association, the Management Board consists of one or more members. The number of members of the Management Board is determined by the Supervisory Board.

In accordance with the Company's Articles of Association read in conjunction with the current Management Board rules of procedure, the Management Board currently comprises three members. The Articles of Association do not lay down any special requirements with respect to the appointment and removal of one or all of the members of the Management Board. The Supervisory Board is responsible for appointments and removals. Reappointment or extension of the term of office is permitted.

Amendments to the Articles of Association are made pursuant to Section 179 and 133 AktG and to Sections 9.14 and 9.15 of the Articles of Association. The Company has not made use of the option to lay down further requirements for amendments to the Articles of Association.

Section 9.14 of the Articles of Association reduces the statutory minimum requirements to the extent permitted by law. The Supervisory Board is only authorized to make formal amendments to the Articles of Association.

Powers of the Management Board to issue or buy back shares

Authorized Capital (Section 5.1 of the Articles of Association of WashTec AG)

By resolution of the Annual General Meeting on May 16, 2022, the Management Board is authorized, subject to the consent of the Supervisory Board, to increase the registered share capital on one or more occasions on or before June 30, 2025 by a total amount of up to €8,000,000 (Authorized Capital) by issuing new no-par-value bearer shares in exchange for cash and/or non-cash contributions. The shareholders must be granted preemptive rights in this connection unless otherwise stipulated. The new shares may also be underwritten by one or more banks designated by the Management Board with the obligation to offer them to the shareholders for subscription (indirect subscription right). However, the Management Board is authorized (subject to the approval of the Supervisory Board) to exclude shareholders' preemptive rights in certain cases as set out in Section 5.1 of the Articles of Association of WashTec AG. The Management Board has not made use of these authorizations to date. The authorized capital is intended to enable the Company to raise equity quickly and flexibly at favorable conditions if required.

Share buy-back

Unless expressly permitted by law, the Company cannot acquire or make use of treasury shares except with authorization from the Annual General Meeting. By resolution of the Annual General Meeting of May 16, 2022, the Company is authorized to acquire, on or before June 30, 2025 and for purposes other than to trade in the Company's own shares, the Company's own shares in the amount of up to 10% of the share capital of €40,000,000 at the time of the resolution or – if lower – at the time the authorization is exercised. The Management Board may opt to acquire such shares on the stock exchange, by means of a public purchase offer to all shareholders or by means of a public invitation directed at all shareholders to tender shares for sale. The precise terms and conditions for the purchase and use of treasury shares are set out in item 8 of the agenda in the 2022 Invitation to the Annual General Meeting of WashTec AG. Following completion of the share buyback offer in September 2015, and including shares previously held, WashTec AG now holds a total of 594,646 of treasury shares, representing approximately 4.25% of its registered share capital.

Significant agreements subject to a change of control of the company following a takeover bid

Individual contractual agreements entered into by the WashTec Group (such as loan agreements) provide for the option of extraordinary termination in the event of a takeover (change of control). In that event there may also be a change of management.

8

Corporate Governance Statement

In accordance with Sections 289f and 315d of the German Commercial Code

The Management Board and Supervisory Board of WashTec AG operate in accordance with the principles of good and responsible corporate governance. In this Corporate Governance Statement in accordance with Sections 289f and 315d of the German Commercial Code (Handelsgesetzbuch, or HGB), the Management Board, in collaboration with the Supervisory Board, reports on corporate governance at WashTec AG and in the WashTec Group. The Corporate Governance Statement also includes the declaration on the German Corporate Governance Code (the "Code") in accordance with Section 161 of the German Stock Corporation Act (Aktiengesetz, or AktG).

8.1 Declaration of Conformity

The Management Board and Supervisory Board of WashTec AG identify with the objectives of the Code, which promote responsible, transparent corporate management and control aimed at sustainably increasing the value of the Company.

The Management Board and Supervisory Board regularly direct their attention to satisfying the Code's requirements, which comprise principles, recommendations and suggestions. The recommendations of the Code are largely complied with.

The Declaration of Conformity in accordance with Section 161 AktG as submitted jointly by the Management Board and Supervisory Board on December 19, 2024 is reprinted below. All submitted declarations are published in the Investor Relations section of the Company's website at *www.washtec.de*.

"WashTec AG, Augsburg

Declaration of Conformity of December 19, 2024 under Section 161 AktG

The Management Board and Supervisory Board submitted the last Declaration of Conformity on December 19, 2023.

The Management Board and Supervisory Board hereby declare that since submission of the last Declaration of Conformity on December 19, 2023, WashTec AG has complied with the recommendations of the German Corporate Governance Code (the "Code") issued by the Government Commission on the German Corporate Governance Code as amended on April 28, 2022, and will continue to comply with those recommendations in the future, with the following exceptions:

In the first sentence of Recommendation G.10, the Code recommends predominantly share-based variable remuneration for the Management Board. The long-term variable remuneration under the Long Term Incentive Program (LTIP) contains significant share price-based components. These include the total shareholder return target weighted at 20% under the LTIP 2024-2026, which is used to assess the share price performance over the duration of the three-year incentive period. In light of this, the Management Board and Supervisory Board, as a precautionary measure, declare an exception from the first sentence of Code Recommendation G.10. It should be noted in this connection that the LTIP provides for the possibility, subject to fulfillment of specified conditions, of increasing the remuneration under the LTIP by up to a maximum of twofold by means of a corresponding personal investment in WashTec AG shares. This option provides a clear incentive for members of the Management Board to take a stake in the risks and rewards of the share price performance.

Furthermore, the second sentence of Code Recommendation G.10 recommends that granted long-term variable remuneration amounts should be accessible to Management Board members only after a period of four years. The incentive period under the LTIP is three years and is based on the regular term of Management Board contracts, which is likewise three years. In view of this three-year cycle, the Management Board and the Supervisory Board consider a three-year period under the LTIP to be appropriate. Accordingly, the Supervisory Board and Management Board declare an exception from the second sentence of Code Recommendation G.10. The Code is complied with to the extent that one-sixth of the final cash award from the personal investment LTIP component is subject to an obligation to purchase shares with a three-year holding period.

The remuneration system for the remuneration of members of the Management Board of WashTec AG adopted by the Supervisory Board in its meeting of March 24, 2021 and approved by the Annual General Meeting of WashTec AG of May 18, 2021 applies to all Management Board contracts entered into or renewed after the Annual General Meeting on May 18, 2021. This relates to the contracts of all current members of the Management Board. With regard to the Management Board contracts current at the time of the 2021 Annual General Meeting, these have continued to apply under the conditions there specified. Recommendations G.11 sentence 2 (retention and reclaiming of variable remuneration) and G.13 sentence 2 of the Code (severance payment taken into account against compensation payments in the event of a post-contractual non-compete clause) are not implemented in these Management Board contracts. This is due to the fact that the Management Board contracts current at the time of the 2021 Annual General Meeting were entered into on the basis of the previous remuneration system adopted by resolution of the Supervisory Board on December 19, 2019.

The second sentence of Code Recommendation G.18 specifies that any performance-related remuneration for the Supervisory Board should be geared to the long-term development of the Company. The Supervisory Board of WashTec AG is granted annual performance-based remuneration under the Articles of Association and long-term performance-based remuneration in accordance with the resolution of the 2021 Annual General Meeting ("Supervisory Board LTIP"). The current Supervisory Board LTIP applies for the period January 1, 2022 to December 31, 2024. The Management Board and the Supervisory Board are proceeding on the assumption that the recommendation will be complied with and, as a precautionary measure, declare that the maximum achievable cash award under the Supervisory Board LTIP, broken down pro rata for each year, will generally exceed the maximum achievable annual performance-based remuneration.

Augsburg, December 19, 2024

Management Board and Supervisory Board"

Further information about corporate governance can be found on the Internet at www.washtec.de. Corporate governance statements, corporate governance reports and declarations of conformity that are no longer current remain accessible on the website for a period of at least five years.

8.2 Remuneration report/remuneration system

The remuneration report for fiscal year 2024 and the auditor's opinion in accordance with section 162 AktG, the current remuneration system for members of the Management Board in accordance with Section 87a (1) and (2) sentence 1 AktG and the current Annual General Meeting resolution on remuneration for the members of the Supervisory Board in accordance with section 113 (3) AktG are publicly available online in the Investor Relations section of the website *www.washtec.de*.

In line with the four-year cycle under the German Stock Corporation Act (Aktiengesetz), an updated remuneration system for the Management Board will be submitted for approval at the Annual General Meeting in 2025. A resolution on the remuneration of the members of the Supervisory Board will also be placed on the agenda for the 2025 Annual General Meeting. In accordance with the law, management's motions on these agenda items are made publicly available online at *www.washtec.de*, in the Investor relations section of the website under the Annual General Meeting tab.

8.3 Management Board

Procedures and composition

The Management Board of WashTec AG is responsible for the management of the Company. As the Company's executive body, it is required to act in the Company's best interests, in furtherance of which it seeks to deliver sustained growth in shareholder value. It is responsible for establishing the principles of the Company's corporate policies in consultation with the Supervisory Board. The Management Board is also responsible for the strategic direction of the Company, the planning and setting of the Company's budget, the allocation of resources and the oversight of the business units. In addition, the Management Board is responsible for ensuring compliance with legal and regulatory requirements and with internal corporate guidelines or directives, and it works to ensure compliance by all Group companies. It reports to the Supervisory Board regularly, promptly and comprehensively on all issues of relevance to the Company and the Group relating to strategy and strategy implementation, planning, the financial position, results of operations and cash flows, compliance, risks and risk management.

The work of the Management Board is governed by rules of procedure for the Management Board, which are issued by the Supervisory Board. In particular, the rules of procedure define the portfolios of the members of the Management Board, specify the matters reserved for decision by the full Management Board, determine the matters requiring the approval of the Supervisory Board and set out the rules of procedure for Management Board meetings and resolutions.

Membership of the Management Board and allocation of responsibilities in fiscal year 2024:

Name	Period	Portfolio
Michael Drolshagen (CEO & CTO)	May 1 to December 31, 2024	■ Corporate Culture, Communication and Philosophy ■ Human resources ■ R&D ■ Production ■ Quality ■ Service ■ Sustainability ■ AUWA-Chemie GmbH
Dr. Ralf Koeppe[1] (CEO & CTO)	January 1 to February 23, 2024	■ Corporate Culture, Communication and Philosophy ■ Human resources ■ R&D ■ Production ■ Quality ■ Service ■ Sustainability ■ AUWA-Chemie GmbH

[1] The Management Board membership of Dr. Koeppe was terminated by mutual agreement on February 23, 2024. He will be succeeded by Mr. Michael Drolshagen, who the Supervisory Board has appointed as new Chief Technology Officer (CTO) and Chief Executive Officer (CEO) with effect from May 1, 2024. For the period from February 23, 2024 to April 30, 2024, Mr. Pabst, as Chief Financial Officer, has in particular assumed responsibility for the Management Board in cooperation with the Supervisory Board and its members.

Name	Period	Portfolio
Sebastian Kutz (CSO)	January 1 to December 31, 2024	■ Key Account Management ■ Sales ■ Marketing ■ Product management ■ WashTec Carwash Management GmbH
	February 23 to April 30, 2024	■ R&D ■ Quality ■ AUWA-Chemie GmbH
Andreas Pabst (CFO)	January 1 to December 31, 2024	■ Finances/financial control ■ IT ■ Procurement ■ Investor Relations ■ Law and compliance ■ Risk management ■ Internal audit ■ Insurers ■ WashTec Financial Services GmbH
	February 23 to April 30, 2024	■ Corporate Culture, Communication and Philosophy ■ Human resources ■ Sustainability ■ Production

Succession planning and diversity policy

Together with the Management Board, the Supervisory Board ensures that long-term succession planning is in place for the Management Board. The CEO and the Chairman of the Supervisory Board hold regular discussions on this topic as part of such planning. This issue is also regularly addressed by the Supervisory Board in its meetings. Long-term succession planning is based in particular on discussions between the Supervisory Board and the members of the Management Board and on contacts with senior executives of the Company. Terms of office and renewal options for current Management Board members are discussed along with potential successors.

WashTec aims as a matter of policy for the composition of the Management Board to be based on qualification.

The Supervisory Board pays particular attention to diversity as part of the selection process for new Management Board members. In connection with filling vacancies on the Management Board, the Supervisory Board prepares a requirements profile and conducts interviews with suitable candidates. When making appointments to the Management Board, efforts are made to ensure that candidates have experience in the same or a similar industry. Based on this, the Supervisory Board decides on appointments to fill vacant Management Board positions taking into account the requirements profile and specific qualification requirements. Where necessary, the Supervisory Board and the Personnel and Nomination Committee are assisted by external consultants in the preparation of requirements profiles and the selection of candidates.

Given suitable experience, people of all age groups can be members of the Management Board. In accordance with Code Recommendation B.5, the Supervisory Board has set a standard age limit of 65 for members of the Management Board. Information on targets for the percentage of women on the Management Board is provided under heading 8.6 on page 71.

8.4 Supervisory Board

Supervisory Board procedures

The Supervisory Board of WashTec AG advises and monitors the Management Board in its management of the Company, including the management of the Group. Management Board decisions of major significance – for example, acquisitions, divestments and capital raising measures – are subject to Supervisory Board approval. The Supervisory Board regularly discusses business development and planning, as well as the Company's strategy and its implementation. The Supervisory Board reviews the Company's quarterly statements and half-year report and approves the annual financial statements of WashTec AG and the consolidated financial statements. As there is no resolution of the Annual General Meeting pursuant to Section 172 AktG, the annual financial statements of WashTec AG are adopted on approval by the Supervisory Board. The Supervisory Board monitors the Company's compliance with the law, official rules and internal company policies. Its scope of responsibilities also includes appointing the members of the Management Board and defining their portfolios. In addition, the Supervisory Board adopts resolutions on, among other things, the remuneration system for the Management Board (cf. section 87a AktG), on the basis of which the specific remuneration of individual Management Board members is determined, and submits them to the Annual General Meeting for approval in accordance with the law.

The work of the Supervisory Board is governed by internal rules of procedure, in particular pertaining to the convocation and conduct of meetings, the adoption of resolutions and the manner in which any conflicts of interest are handled. The rules of procedure were revised at the end of the 2024 reporting year. The revision applies from January 1, 2025. They are available on the Company's website at: *Rules of Procedure for the Supervisory Board – WashTec AG*

The Supervisory Board regularly reviews the efficiency of its work in a self-assessment. The self-assessment is based on a questionnaire that is regularly updated and revised in accordance with the requirements of the Code. The most recent self-assessment was carried out in the fourth quarter of 2024. The results of the assessment were also presented and discussed in depth in the fourth quarter of 2024. Those findings confirm a professional, constructive working relationship characterized by a high degree of trust and openness both within the Supervisory Board and in its dealings with the Management Board. A number of suggestions were also taken up and put into practice during the course of the year. The Personnel and Nomination Committee was tasked with preparing and monitoring this topic. No significant deficits in the working relationship were identified.

The Management Board and Supervisory Board work closely together in the best interests of the Company. No conflicts of interest requiring disclosure to the Supervisory Board arose on the part of members of the Management Board or Supervisory Board. The independent advice and monitoring of the Management Board by the Supervisory Board has been and continues to be ensured at all times.

Composition of the Supervisory Board and of Supervisory Board committees

In accordance with the Articles of Association of WashTec AG, the Supervisory Board consists of five members elected by the Annual General Meeting. Until the 2024 Annual General Meeting, Section 8.1 of the Articles of Association of WashTec AG provided that the Supervisory Board of WashTec AG consists of six members, who are elected by the Annual General Meeting. The Management Board and Supervisory Board proposed to the 2024 Annual General Meeting that the number of members of the Supervisory Board be adjusted to five in accordance with section 95 sentence 2 AktG. The 2024 Annual General Meeting approved this proposal. In the reporting year, in order to perform its duties efficiently and in accordance with the requirements of the Code, the Supervisory Board had an Audit Committee, a Personnel Committee, a Nominating Committee, a Corporate Strategy and Sustainability Committee, a Sales Strategy Committee, and an Innovation and Production Committee.

In December 2024, in the course of updating and revising its rules of procedure, the Supervisory Board also resolved a change to the committees established by the Supervisory Board. Accordingly, an Audit Committee and a Personnel and Nomination Committee are now established as of January 1, 2025. The responsibilities assigned to the other committees that existed until December 31, 2024 are now performed by the full Supervisory Board, insofar as they are not assigned to the two aforementioned committees. The background to this is that, in the current composition, this reduces the coordination effort and thus speeds up decision-making processes.

Committee membership in 2024

	Audit Committee	Personnel Committee	Nomination Committee	Innovation and Production Committee	Sales Strategy Committee	Corporate strategy and sustainability committee
Ulrich Bellgardt		C	C	M	M	C
Dr. Hans Liebler	M		M		M	
Heinrich von Portatius	M	M		M	C	
Dr. Alexander Selent	C	M[1]				M
Peter Wiedemann		M[1]	M	C		M

C: Committee chairperson   M: Committee member

[1] Dr. Selent was a member of the Personnel Committee until April 30, Mr. Wiedemann has been a member of the Personnel Committee since May 1, 2024

Committee membership from January 1, 2025

	Audit Committee	Personnel and Nomination Committee
Ulrich Bellgardt		C
Dr. Hans Liebler	M	
Heinrich von Portatius	M	M
Dr. Alexander Selent	C	
Peter Wiedemann		M

C: Committee chairperson M: Committee member

The primary purpose of the committees is to prepare Supervisory Board meetings and resolutions for the plenary Supervisory Board. Their responsibilities are set out in detail in the Rules of Procedure for the Supervisory Board. This is published online in the Investor Relations section on *www.washtec.de*. Within the scope of the overall responsibility of the Supervisory Board, each member performs certain duties on the committees based on the member's expertise. The committee chairpersons each report regularly to the Supervisory Board on the work of the committees.

The current membership of the Supervisory Board, meeting attendance and details of the Supervisory Board's work together with that of its committees in the reporting year are presented in the Report of the Supervisory Board beginning on page 11.

In March 2022, taking into account the legal requirements and the recommendations of the Code, the Supervisory Board of WashTec AG adopted specific objectives for its composition, including a profile of skills and expertise and a diversity policy for the Supervisory Board.

Independence

The Supervisory Board is required to include what it considers to be an appropriate number of independent members within the meaning of the Code. For this purpose, more than half of the shareholder representatives are required to be independent from the company and the Management Board. If the company has a controlling shareholder, at least one of these shareholder representatives is also required to be independent from the controlling shareholder. The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the Personnel Committee, are required to be independent from the company and the Management Board. The Chair of the Audit Committee is also required to be independent from any controlling shareholder.

Diversity policy

Diversity contributes to a broad range of experience, perspectives, knowledge and skills within the Supervisory Board. The Supervisory Board therefore seeks to ensure sufficient diversity in terms of personality, gender, internationality, educational or professional background, expertise, experience and age distribution, taking particular account of the following criteria for its composition:

- The Supervisory Board as a whole is required to have a balanced age structure, including both younger professionals and older members with greater professional and life experience.
- In elections to the Supervisory Board, the aim is to ensure that, in addition to suitability in terms of personal and professional skills and expertise, the Supervisory Board includes both male and female members. The composition of the Supervisory Board must be based on the applicable legal requirements and on the target quotas established on the basis of the Act on Equal Participation of Women and Men in Leadership Positions (Führungspositionengesetz).

- The Supervisory Board is composed of individuals who, in addition to their personal and professional skills and expertise, preferably also have different educational and occupational backgrounds – such as engineering, business, law or the humanities.

Profile of skills and expertise

The guiding principle for the composition of the Supervisory Board is to ensure professional monitoring and advice of the Management Board of WashTec AG. Its members as a whole are required to possess the knowledge, skills and professional expertise necessary to properly perform the duties of the Supervisory Board of WashTec AG as an internationally operating listed company in the mechanical engineering sector.

Candidates proposed for election to the Supervisory Board are required to have the personality, knowledge and experience to properly perform the duties of a member of the Supervisory Board of WashTec AG as an internationally operating listed company in the mechanical engineering sector. Each member of the Supervisory Board is required to possess the integrity and independence of judgment to fulfill his or her responsibilities of oversight and control. For the purpose of advising and monitoring the Management Board, each member of the Supervisory Board is also required to have appropriate experience from management functions or to have otherwise acquired the necessary skills.

Members of the Supervisory Board are each responsible for ensuring that they have sufficient time at their disposal to properly perform their duties. It is necessary to take into account in this connection that at least four ordinary Supervisory Board meetings are held each year, each of which requires adequate preparation, that sufficient time must be available for the review of the annual and consolidated financial statements, and that membership of one or more Supervisory Board committees requires additional time.

Supervisory Board members are required to comply with the limit on the number of supervisory board offices held as recommended by the Code.

The normal age limit for membership of the Supervisory Board, as laid down in the rules of procedure for the Supervisory Board, is 75 years.

The Supervisory Board as a whole is required to possess all skills and expertise considered material in view of WashTec's activities. This includes, in particular, knowledge and experience in the following areas of expertise:

In addition, in view of the requirements in Section 100 (5) AktG, at least one member of the Supervisory Board must have expertise in the field of accounting and at least one other member of the Supervisory Board must have expertise in the field of auditing. According to the Code, the expertise in the field of accounting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in the field of auditing consists of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and its audit and assurance. The chairman of the audit committee is required to have appropriate expertise in at least one of the two areas. The members as a whole must be familiar with the sector in which the company operates.

Area of expertise	Description
Leadership experience/management	Leadership/management experience through holding an executive position or as a member of a supervisory board or similar body in a (listed) company
Technology and innovations (including engineering and digitalization)	Knowledge and experience in the areas of technology and innovations (including engineering and digitalization)
Production, sales and marketing	Knowledge and experience in the areas production, sales and marketing
Finance	Knowledge and experience in the application of accounting principles and the application of internal control procedures and auditing
Risk management and compliance	Knowledge and experience in risk management and in the area of general corporate compliance
Human resources	Knowledge and experience in personnel leadership, personnel management and personnel development

Continuation of the table of page 69

Continuation of the table on page 125

Area of expertise	Description
Sustainability (ESG)	Knowledge and experienced of ESG factors and their significance and of sustainability issues of importance to the WashTec Group, and knowledge of corporate governance in listed companies (German Corporate Governance Code, Market Abuse Regulation, etc.)
Internationality	Knowledge and experience (including non-native language skills) in international business activities
Capital market and investor relations	Knowledge of the capital market and of investor relations; experience with investors

Implementation/composition of the Supervisory Board

The Supervisory Board of WashTec AG in the reporting period is composed in accordance with its objectives and the above requirements. All members of the Supervisory Board have diverse professional and educational backgrounds, international experience and many years of management experience. The members as a whole are familiar with the sector in which the Company operates and have the knowledge, skills and experience that are material to WashTec. The expertise of the Supervisory Board on sustainability issues relevant to the Company enables the Supervisory Board, in its monitoring and advisory capacity, to monitor the inclusion of environmental and social sustainability in corporate strategy and planning.

The Supervisory Board and its Audit Committee each have at least one member with expertise in accounting in the person of Dr. Liebler and at least one additional member with expertise in auditing in the person of Dr. Selent. Dr. Selent, the Chairman of the Audit Committee, has expertise, special knowledge and experience in the fields of accounting and auditing, notably by virtue of his professional training as auditor and tax advisor and his many years of service as Chief Financial Officer of Fuchs Petrolub SE.

Dr. Liebler has special knowledge and experience in the field of accounting, in particular due to his academic qualifications and his many years as managing director of various international companies.

Dr. Selent and Dr. Liebler consequently qualify as financial experts within the meaning of Section 100 (5) AktG and Code Recommendation D.3.

Furthermore, the Supervisory Board includes what it considers to be an appropriate number of independent members. In its assessment, four members of the Supervisory Board are independent within the meaning of the Code – namely the members Bellgardt, von Portatius, Dr. Selent and Wiedemann. Dr. Liebler has been a member of the Supervisory Board since May 2012 and has therefore been a member for more than twelve years for the purposes of Code Recommendation C.7. The Supervisory Board is of the opinion that Dr. Liebler, too, can continue to advise and monitor the Management Board without bias and that there are no circumstances that could give rise to a conflict of interest.

Based on the requirements for members of the Supervisory Board, the following qualification matrix shows the expertise present and the status of implementation of the profile of skills and expertise and of the diversity policy as of December 31, 2024:

	Ulrich Bellgardt	Dr. Hans Liebler	Heinrich von Portatius	Dr. Alexander Selent	Peter Wiedemann
Member of the Supervisory Board since	June 4, 2014	May 10, 2012	May 16, 2022	May 3, 2017	May 16, 2022
Independence*	x		x	x	x
Year of birth	1957	1969	1978	1952	1959
Gender	Male	Male	Male	Male	Male
Nationality	German/Swiss	German	German	German	German
Areas of expertise					
Leadership experience/management	✓	✓	✓	✓	✓
Technology and innovations (including engineering and digitalization)	✓				✓
Production, sales and marketing	✓				✓
Finance	✓	✓	✓	✓	
Risk management and compliance	✓	✓	✓	✓	
Human resources	✓			✓	✓
Sustainability (ESG)	✓			✓	✓
Internationality	✓	✓	✓	✓	✓
Capital market and investor relations		✓	✓	✓	

* *Within the meaning of the German Corporate Governance Code 2022*

✓ *Based on a self-assessment by the Supervisory Board (a check mark indicates at least good and in-depth knowledge, exceeding the minimum legal requirements for Supervisory Board members, on the basis of existing qualifications or acquired in the course of service as a Supervisory Board member, such as through many years of service on the Audit Committee or regular participation in professional development measures).*

When selecting and nominating candidates for the Supervisory Board, the Supervisory Board and the Personnel and Nomination Committee take into account, in addition to the requirements of the law and the Code, the above-mentioned objectives for the composition of the Supervisory Board and strive to fulfill the profile of skills and expertise for the Supervisory Board as a whole. The selection process is also required to consider the diversity aspect at an early stage. The Supervisory Board’s decision on election nominations to the Annual General Meeting is always based on the interests of the Company, taking into account all circumstances of the individual case.

8.5 Shareholders and the Annual General Meeting

WashTec AG regularly provides detailed information on the Company's business development, financial position, financial performance and cash flows and on non-financial subject matter to its shareholders in the form of reporting, in individual discussions and at investor conferences.

The shareholders exercise their rights at the Annual General Meeting. The Annual General Meeting of WashTec AG is generally held in the second quarter of the year. The Annual General Meeting adopts resolutions regarding, among other things, the appropriation of distributable profit, ratification of the acts of the Management Board and Supervisory Board, and election of the auditor. Amendments to the Articles of Association and the granting of authorization to take measures that have the effect of changing the share capital are decided exclusively by resolution of the Annual General Meeting and implemented by the Management Board. Absent shareholders may have their voting rights exercised by proxies.

WashTec AG held the Annual General Meeting in person in the 2024 reporting year. All documents of relevance to its Annual General Meeting were published online in German and in English. The WashTec AG website thus provides an information platform for both national and international investors, including with regard to the Annual General Meeting.

8.6 Targets for the percentage of women on the Boards

The Supervisory Board is required to set targets for the percentage of women on the Company's Management Board and Supervisory Board, together with dates for their achievement.

In fiscal year 2023, the Supervisory Board set targets for the number of women on the Management Board and Supervisory Board from July 1, 2023 for achievement by June 30, 2028. The Supervisory Board has set the target figure for the number of women on the Management Board at zero (0) and the target figure for the number of women on the Supervisory Board at one (1) person.

The Supervisory Board's reasoning for setting the target for the Management Board in this way was as follows: The setting of a target of zero for the Management Board is intended to retain the greatest possible flexibility for constituting the Management Board on the basis of qualification. The Supervisory Board decides on appointments to Management Board positions in the interests of the Company based on qualifications, experience and professional and personal suitability. The Supervisory Board pays particular attention to diversity as part of the selection process for new Management Board members. Elements of the diversity policy with regard to the composition of the Management Board include factors such as age, educational and professional background and gender. In the interests of maximum flexibility, however, no priority is to be given to gender in future appointments to the Management Board. With the Management Board in its new composition since last year, WashTec AG has a highly motivated and dynamic management team. Accordingly, in the interest of future-oriented and sustainable management of the Company and of confidence in the current composition of the Management Board, the Supervisory Board does not wish to send out the wrong signals by setting a higher target, nor does it wish by setting such a target to commit itself in advance – or give the impression of committing itself in advance – with regard to its appointment decisions for the next five years. The Supervisory Board's decision on appointments to Management Board positions will always continue to be based on the interests of the Company, taking into account all circumstances of the individual case.

Irrespective of the statutory targets for the percentage of women on the Management Board and Management Board and Supervisory Board, the WashTec Group attaches great importance to equal treatment, equal opportunities and diversity in when filling management positions and all other positions in the Company. In particular, the goal of further promoting the percentage of women in leadership positions within the WashTec Group continues to apply for the future.

The Management Board considers diversity when making appointments to executive positions. In fiscal year 2022, the Management Board of WashTec AG set itself the goal of further promoting the percentage of women in leadership positions within the WashTec Group and decided to set a voluntary female quota for one management level across the entire Group. The target is 18% (equivalent to 32 people); the date for achievement of the target is June 30, 2027. The need to set targets for the percentage of women at levels of management within WashTec AG does not arise, because WashTec AG as the Group parent has no such levels due to the very small number of employees.

8.7 Corporate governance practices

Transparency and communication

Providing comprehensive and timely information to shareholders and stakeholders is a high priority for WashTec. WashTec's business situation and results are reported as part of financial reporting, at the annual press conference and in the form of conference or video calls. Information is also published in press releases and ad hoc announcements. All notices and disclosures, the Articles of Association of WashTec AG, all Declarations of Conformity and further documents concerning corporate governance (such as the WashTec Code of Conduct) are available for downloading from the Investor Relations section of the Company's website, *www.washtec.de*.

Under Article 19 of the Market Abuse Regulation (EU) No 596/2014, members of the Management Board and Supervisory Board, as well as persons closely associated with them, are required to disclose any purchase or sale of securities in WashTec AG or of related financial instruments once the purchase and sale transactions reach a total amount of €20,000 within a calendar year. The reportable securities transactions reported to WashTec AG in the reporting period (managers' transactions) have been duly published and are available in the Investor Relations section of the Company's website, *www.washtec.de* under News – Managers' Transactions.

Compliance

WashTec has set up a Group-wide compliance organization to ensure that all relevant rules and regulations are observed. The compliance organization is subject to continuous development and improvement. The Management Board and Supervisory Board regard the compliance organization as a key element of the management and control structure at WashTec. Detailed reporting on compliance is thus a regular subject of meetings of the Supervisory Board and the Audit Committee. In addition, a detailed annual compliance report is prepared.

The strategic guidelines and the WashTec AG Code of Conduct form the basis of the Company's compliance program. It contains binding rules on legally compliant conduct as well as precise directions on matters such as compliance with competition law and anti-corruption law, handling donations, avoiding conflicts of interests, complying with the prohibition on insider trading, and protecting the Company's assets, as well as requirements for the protection of human and environmental rights within the meaning of the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz). The Code of Conduct is binding for all employees of the WashTec Group worldwide and for the members of the Management Board. It is regularly reviewed and updated to reflect social and regulatory changes.

The members of the Supervisory Board likewise observe the rules to the extent that they apply to them. All WashTec Group managers and employees in sensitive areas such as Sales, Procurement, Human Resources and Finance receive regular online training on the Code of Conduct, with a concluding test and certification. Regular online training, likewise with a concluding test, is also provided on the General Data Protection Regulation, especially for new employees. As part of the compliance system, a whistleblower system in place since 2016 allows employees and others to raise concerns – anonymously if they prefer – and flag circumstances that may indicate a violation of the law or Company policies. Any such indications are investigated and action taken as appropriate if grounds for suspicion or violations are identified. The WashTec Group Grievance and Reporting Procedure is available in the Investor Relations – Corporate Governance section of the Company website, *www.washtec.de*.

The insider list to be maintained in accordance with Article 18 of the Market Abuse Regulation (EU) No 596/2014 is kept up to date in accordance with the law. The individuals recorded in the insider list are informed of the duties entailed.

Opportunities and risk management

Responsible management of opportunities and risks is part of good corporate governance. The Management Board has established an internal control system and risk management system that is appropriate and effective having due regard to the scope of the Company's business activities and its risk situation. The Management Board and the Supervisory Board regularly discuss existing opportunities and risks, their development and action to be taken. The internal control system and the risk management system are subject to continuous development and adaptation to changing conditions. Details are presented in the opportunities and risk report starting on page 48.

9 Non-financial statement

Sustainability is also an integral part of WashTec's business conduct.

For WashTec, systematic, ongoing development of the sustainability strategy and transparent sustainability reporting are a matter of course. WashTec has published a voluntary annual sustainability report since 2021. For fiscal year 2024, the non-financial statement has been prepared for the first time in accordance with the European Sustainability Reporting Standards (ESRS) – the next step towards more transparent and consistent disclosure of sustainability information.

WashTec was supported by external third parties in the preparation of the materiality assessment and the resulting qualitative and quantitative disclosure requirements including KPIs.

9.1 General disclosures

9.2 Environmental information

9.3 Social information

9.4 Governance information

9.1 General disclosures

9.1 General disclosures

9.1.1 Basis for preparation of the non-financial statement

9.1.1.1 General basis for preparation of the non-financial statement

With this combined non-financial statement, WashTec AG, as the Group parent company, complies with the reporting obligation under Section 289b (1) and (3) and Section 315b (1) and (3) of the German Commercial Code (HGB). In accordance with Section 289d in conjunction with Section 315c (3) of the Commercial Code, WashTec makes use of the option to prepare the non-financial statement in accordance with the ESRS.

The combined non-financial statement was prepared in accordance with the ESRS as published in the Official Journal of the European Union as the Delegated Act on the first set of the European Sustainability Reporting Standards (ESRS, Delegated Regulation (EU) 2023/2772).

Article 8 of the EU Taxonomy Regulation (Delegated Regulation (EU) 2020/2088), through supplementary delegated acts and European Commission pronouncements, results in additional disclosure requirements, which are described in section 9.2.1.

The consolidated combined non-financial statement (hereinafter the "non-financial statement") is prepared by WashTec AG as the parent company of the Group.

It relates to the same scope of consolidation as the consolidated financial statements of WashTec AG. Please refer to the information in the notes to the consolidated financial statements on page 162.

Except as otherwise specified, the reporting includes the upstream and downstream value chain.

The upstream value chain includes WashTec's direct and indirect suppliers. The downstream value chain is considered to include direct customers and the customers of WashTec's affiliated distributors.

Any exceptions from this rule are explained in the relevant section of the non-financial statement. Further information on the upstream and downstream value chain can be found in section 9.1.3.1.2.

No use has been made of the option to omit specific pieces of information corresponding to intellectual property, know-how or the results of innovation.

9.1.1.2 Estimates and uncertainties

Certain metrics are determined using estimates. The assumptions underlying the estimates are reviewed annually. Such assumptions are primarily subject to change based on experience, new scientific knowledge and developments in sustainability reporting.

Scope 3 greenhouse gas (GHG) emissions under the Greenhouse Gas Corporate Accounting and Reporting Standard (hereinafter referred to as the "GHG Protocol") are determined using estimates. The determination of Scope 3 GHG emissions is also subject to a high degree of measurement uncertainty. This is primarily due to data availability regarding the upstream and downstream value chain. Further information on estimates and measurement uncertainties in the determination of Scope 3 GHG emissions can be found in section 9.2.2.4.4.

9.1.1.3 Cross-references and exemptions

Certain information is found in other elements of the financial reporting. These include the consolidated financial statements, the combined management report and the Corporate Governance Statement. In such cases, a reference is provided in the non-financial statement to the respective section of the financial reporting.

9.1.2 Governance

WashTec AG is a German stock corporation (Aktiengesellschaft) under German law domiciled in Augsburg, Germany, and is listed in the Prime Standard segment of Frankfurt Stock Exchange. As the ultimate parent company of the Group, it is responsible for the strategic management and control of all subsidiaries.

9.1.2.1 Role of Management Board and Supervisory Board

9.1.2.1.1 Composition and diversity

The management and supervisory bodies of the WashTec AG are the Management Board and the Supervisory Board. These are described in more detail in the following.

The **Management Board** of WashTec AG consists of three executive members and is responsible for the management of the business. The Chief Executive Officer is Michael Drolshagen.

As the management body, the Management Board is bound by the interests of the Group and establishes the principles of the Group's corporate policies in consultation with the Supervisory Board. The Management Board is also responsible for the Group's strategic orientation, including the monitoring of impacts, risks and opportunities. It reports to the Supervisory Board regularly, promptly and comprehensively on all issues of relevance to the Company and the Group relating to strategy and strategy implementation, planning, the financial position, results of operations and cash flows, compliance, risks and risk management.

Further details on the composition and diversity and the roles and responsibilities of the Management Board can be found in the Corporate Governance Statement (section 8.3).

The **Supervisory Board** of WashTec AG is made up in its entirety of independent members. It advises and monitors the Management Board in the management of the Company, including the management of the Group. The Chairman of the Supervisory Board is Ulrich Bellgardt. Important Management Board decisions are subject to the approval of the Supervisory Board. The Supervisory Board regularly discusses business development and planning, as well as the Company's strategy and its implementation.

Further details on the composition and diversity and the roles and responsibilities of the Supervisory Board can be found in the Corporate Governance Statement (section 8.4).

9.1.2.1.2 Roles and responsibilities

The Management Board is fundamentally responsible for setting the Company's strategy and objectives, including the key performance indicators. It coordinates these with the Supervisory Board.

The CEO holds overall responsibility for sustainability throughout the Group. Responsibility for the processes, controls and procedures used to manage impacts, risks and opportunities lies with the Management Board. At Management Board meetings, the Management Board has received regular reports on the current status of the process and controls for managing impacts, risks and opportunities.

Responsibility for the setting of targets related to material impacts, risks and opportunities and the monitoring of progress towards their achievement lies with the Management Board. Target achievement is monitored by means of regular reporting to the Management Board.

The Sustainability Officer heads the Sustainability Team and reports directly to the CEO. The Sustainability Team consists of members from Environmental Management (E), Human Resources (S) and Legal and Compliance (G). It manages and monitors the implementation of processes, policies and initiatives in the non-financial context. The Head of Health, Safety and Environment also reports to the Management Board on occupational safety issues.

The Supervisory Board monitors the implementation of the sustainability strategy and compliance with regulatory and reporting requirements. In this connection, the Supervisory Board also monitors the impacts, risks and opportunities in relation to sustainability matters. The Supervisory Board received regular reports on the management of impacts, risks and opportunities at Supervisory Board meetings.

9.1.2.1.3 Skills and expertise

All members of the Management Board are acquainted with sustainability issues and their impact on strategy and the business model. The Management Board is also involved in operational matters and is trained in issues of sustainability and sustainability reporting. It is thus part of the Environment and Energy Team and of the Diversity Team. Implementation of the sustainability strategy is driven by internal and external experts on sustainability topics.

The composition of the Supervisory Board ensures that its members have the necessary knowledge, skills and professional experience to properly perform their advisory and supervisory functions.

ESG knowledge is specified as an essential competency for members of the Supervisory Board in the profile of skills and expertise compiled in accordance with the German Corporate Governance Code (section C.1). Certain members of the Supervisory Board additionally have special expertise in sustainability issues. Please refer in this regard to the Corporate Governance Statement on (section 8.4).

9.1.2.2 Information provided to and sustainability matters addressed by the Management Board and Supervisory Board

The Management Board and Supervisory Board were regularly informed by sustainability reporting project management about the current status and content of sustainability reporting in accordance with ESRS. The Management Board thoroughly reviewed the materiality assessment in several meetings and gave its approval. Reporting was also provided to the Management Board on the due diligence obligations, including identifying and assessing impacts, risks and opportunities. In total, the Management Board was provided with information on sustainability matters at five Management Board meetings.

Reporting to the Supervisory Board on sustainability reporting, the materiality assessment and compliance with due diligence obligations was provided at five Supervisory Board meetings in fiscal year 2024. The Supervisory Board was thus informed about material impacts, risks, and opportunities, and was able to incorporate them into the monitoring of strategy, its own decisions, and the risk management process. There was no need for compromise in this context.

The Environment and Energy Team and the Sustainability Officer also report directly to the Management Board at regular intervals and as the need arises. Meetings of the Management Board regularly address the sustainability topics and targets, together with the monitoring of progress towards target achievement.

The Supervisory Board and Management Board are briefed at least twice annually on the status of implementation of the sustainability strategy.

The impacts, risks and opportunities addressed by the Management Board and Supervisory Board in fiscal year 2024 can be found in the sections on "Material impacts, risks and opportunities and their interaction with strategy and business model," under 9.2.2.2.2, 9.2.3.1.1, 9.2.4.1.1, 9.3.1.2 and 9.4.2.1.

9.1.2.3 Integration of sustainability-related performance in incentive schemes

Responsibility for adopting resolutions on the remuneration system for members of the Management Board lies with the Supervisory Board as a whole. Under Section 120a (1) sentence 1 AktG, the Annual General Meeting votes on approval of the remuneration system for the members of the Management Board as submitted by the Supervisory Board at every material change and in any case at least every four years. The Annual General Meeting of WashTec AG last passed such a resolution on May 18, 2021. A new resolution must therefore be adopted at the 2025 Annual General Meeting. Sustainability matters have so far been integrated in the Management Board incentive scheme as part of short-term, variable remuneration. Thus, when agreeing annual targets – which comprise operating and/or strategic targets, including targets of a non-financial nature – the Supervisory Board may also at its discretion agree sustainability-related targets. Use was made of this option in fiscal year 2023. No sustainability targets were agreed for short-term variable remuneration in the 2024 reporting year.

Under Section 113 (3) AktG, the annual general meeting of a listed company must adopt a resolution at least once every four years on the remuneration of members of the Supervisory Board. The resolution relates both to the system of remuneration for Supervisory Board members presented to the Annual General Meeting and to the setting of the remuneration for members of the Supervisory Board. The last resolution on the remuneration of members of the Supervisory Board was adopted at the Annual General Meeting of WashTec AG on May 18, 2021. A new resolution must therefore be adopted at the 2025 Annual General Meeting.

Further information on the remuneration systems for the Management Board and Supervisory Board of WashTec AG can be found in the remuneration report for fiscal year 2024. The remuneration report and the remuneration systems are publicly available online in the Investor Relations section on *www.washtec.de*.

9.1.2.4 Statement on due diligence

WashTec has implemented effective due diligence processes. The main aspects and steps of due diligence can be found in various parts of the non-financial statement. A key to this information is provided in the annex.

9.1.2.5 Risk management and internal controls over sustainability reporting

Overall responsibility for risk management and the internal control system for sustainability reporting lies with the Management Board of WashTec AG. Further information on the risk management system and internal control system can be found in section 5.

The focus in fiscal year 2024 was on implementing the global organizational structure and processes for sustainability reporting. WashTec has also introduced comprehensive controls (such as a multi-stage approval processes) to ensure that sustainability reporting is accurate, complete and up to date.

The expansion of the existing risk management system and internal control system to include aspects of sustainability reporting is planned.

9.1.3 General disclosures on strategy

9.1.3.1 Strategy, business model and value chain

9.1.3.1.1 Sustainability strategy

The WashTec Group's strategy is based on four main pillars, one of which is sustainability.

1. Total Customer Care

2. Optimum integrated system for carwash

3. Focus on the core regions of Europe and North America

4. Sustainability

Further information on the WashTec Group's strategy can be found in section 1.2.

Sustainability has high priority for WashTec and relates both to its operations and to the environmental impact of its products along the entire value chain. The sustainability strategy includes reducing the CO_2e emissions of the Company's own production facilities, as well as reducing the amount of water used in customers' carwashes.

With regard to sustainability, the WashTec Group does not focus exclusively on environmental concerns. For example, the WashTec Group's sustainability strategy also includes the percentage of female managers and the accident rate.

Ethical conduct, integrity and sustainable performance are rooted in the WashTec Group's corporate culture.

With its sustainability strategy, WashTec addresses the key sustainability matters of energy consumption in its own operations, energy and water consumption in the downstream value chain, health and safety for employees and temporary workers, and compliance in its own operations.

The associated challenges that lie ahead and the associated actions are described in the relevant topical standards under the information on the material impacts, risks and opportunities and their interaction with strategy and business model (sections 9.2.2.2.2, 9.2.3.1.1, 9.2.4.1.1, 9.3.1.2 and 9.4.2.1).

9.1.3.1.2 Business model and value chain

WashTec's **products and services** can be divided into three main groups:

1. Equipment

WashTec develops, produces and sells equipment for automated vehicle washing. The WashTec product range comprises all types of vehicle wash equipment, including gantry carwashes, conveyor tunnel carwashes, self-service wash equipment, commercial vehicle wash equipment, water recycling systems and other peripherals. With its water recycling systems, WashTec offers its customers a solution for significantly reducing their consumption of water resources.

2. Service and digital service solutions

WashTec offers comprehensive servicing packages and digital smart service solutions spanning the entire product life cycle. This includes maintenance agreements for regular servicing, sales of spare parts, and digital systems for remote monitoring and control of equipment.

3. Chemicals

WashTec produces and sells proprietary chemical products specially developed for use in its wash equipment. These chemical products include shampoos, waxes, drying aids and wheel cleaners

WashTec's most significant sales markets are Europe and North America. Major European markets are Germany, France and the Scandinavian countries. Further information can be found in the notes to the consolidated financial statements from page 179.

WashTec serves a wide range of customers in various sectors who need vehicle wash equipment and related services. The product portfolio is designed both for key accounts and for small and medium-sized enterprises. WashTec's main customer groups are oil companies and service station chains, supermarkets and retail chains, car dealerships and garages, as well as independent carwash operators. The main distribution channel is direct sales via sales companies within the WashTec Group. Another significant distribution channel is the distributor business, which WashTec primarily utilizes in countries where it does not have sales companies of its own.

Many WashTec customers make use of the full product portfolio, purchasing their wash equipment, service and washing chemicals from WashTec. Particularly in North America, WashTec sells washing chemicals from other suppliers.

The use phase of WashTec equipment commences after installation and commissioning of the vehicle wash equipment. The use phase of WashTec washing chemicals starts when a customer takes delivery of the chemicals.

The end-users of the wash equipment and systems are predominantly carwash customers of carwash operators.

WashTec serves customers worldwide both through subsidiaries and their own employees and through affiliated authorized distributors. A breakdown of employees by the individual countries in which WashTec operates through its own subsidiaries can be found in section 9.3.3.2.

WashTec operates a total of five **production sites**, with the following focuses:

- Augsburg, Germany: Production of the majority of WashTec's equipment for worldwide distribution
- Recklinghausen, Germany: Manufacture of control systems for WashTec's worldwide needs
- Grebenau, Germany: Production of AUWA washing chemicals, primarily for sale on the European market
- Nýrany, Czech Republic: Sheet metal fabrication and assembly of equipment and components for the Augsburg production site
- Denver, USA: Production of WashTec carwash equipment for the North American market

In addition to the German sites, the WashTec Group has subsidiaries in the Netherlands, France, Denmark, Sweden, Norway, Italy, Spain, the United Kingdom, Austria, the Czech Republic, Poland, the United States, Canada, Australia and New Zealand.

WashTec's **supplier structure** can be described as follows:

For the production of equipment, WashTec mainly requires raw materials such as steel, stainless steel and aluminum.

WashTec obtains most of the steel for the German and Czech production operations in the form of steel newly produced in Germany with a recycled content of approximately 20-25%. The iron ore used for steel and stainless steel production is primarily sourced from Australia. Most of the aluminum used is recycled material from European production. WashTec sources steel for the North American market from the USA.

WashTec also procures various components and assemblies, such as motors, pumps, nozzles, plastic parts, hoses, cables, electronics and brushes. These components and assemblies are mostly made of aluminum, brass, copper and various plastics. A high proportion of these products are sourced from German and other European markets.

WashTec purchases peripheral equipment for wash equipment, such as vacuum cleaners, mat cleaners or operating terminals, as merchandise from suppliers.

In addition, various service providers support WashTec in production and logistics for wash equipment and systems.

The upstream value chain for services largely coincides with that of the equipment products. The components, assemblies and peripheral devices referred to above are sourced by WashTec here as spare parts. At a number of European and North American subsidiaries, service providers assist WashTec in carrying out maintenance and service callouts.

For the production of chemicals, WashTec primarily sources chemical inputs such as surfactants from Germany. To a lesser extent, the Group purchases washing chemicals as merchandise from other suppliers or has certain products made by other producers. Another key resource for chemical production is water, which is sourced from local water providers. Chemicals for WashTec's non-European markets are purchased from local producers.

As WashTec generally maintains long-term supplier relationships, there were no significant changes in the supply chain in 2024.

9.1.3.1.3 Process steps in a WashTec carwash*

The process steps in a carwash are based on Sinner's circle – after the chemist Hubert Sinner – by varying the four factors time, temperature, mechanical action and chemicals (including water) in each subprocess. These four factors are significantly influenced by parameters such as choice of wash program, on-site temperature, seasonal vehicle soiling, vehicle size and legal requirements.

The individual process steps for washing a vehicle using WashTec wash equipment are described in the following.

In **pre-cleaning**, washing chemicals are used to treat incrustation on the vehicle so that it can be more easily removed in subsequent stages. Customers can select among various options in terms of removal performance. The main factor for optimum cleaning performance is chemicals.

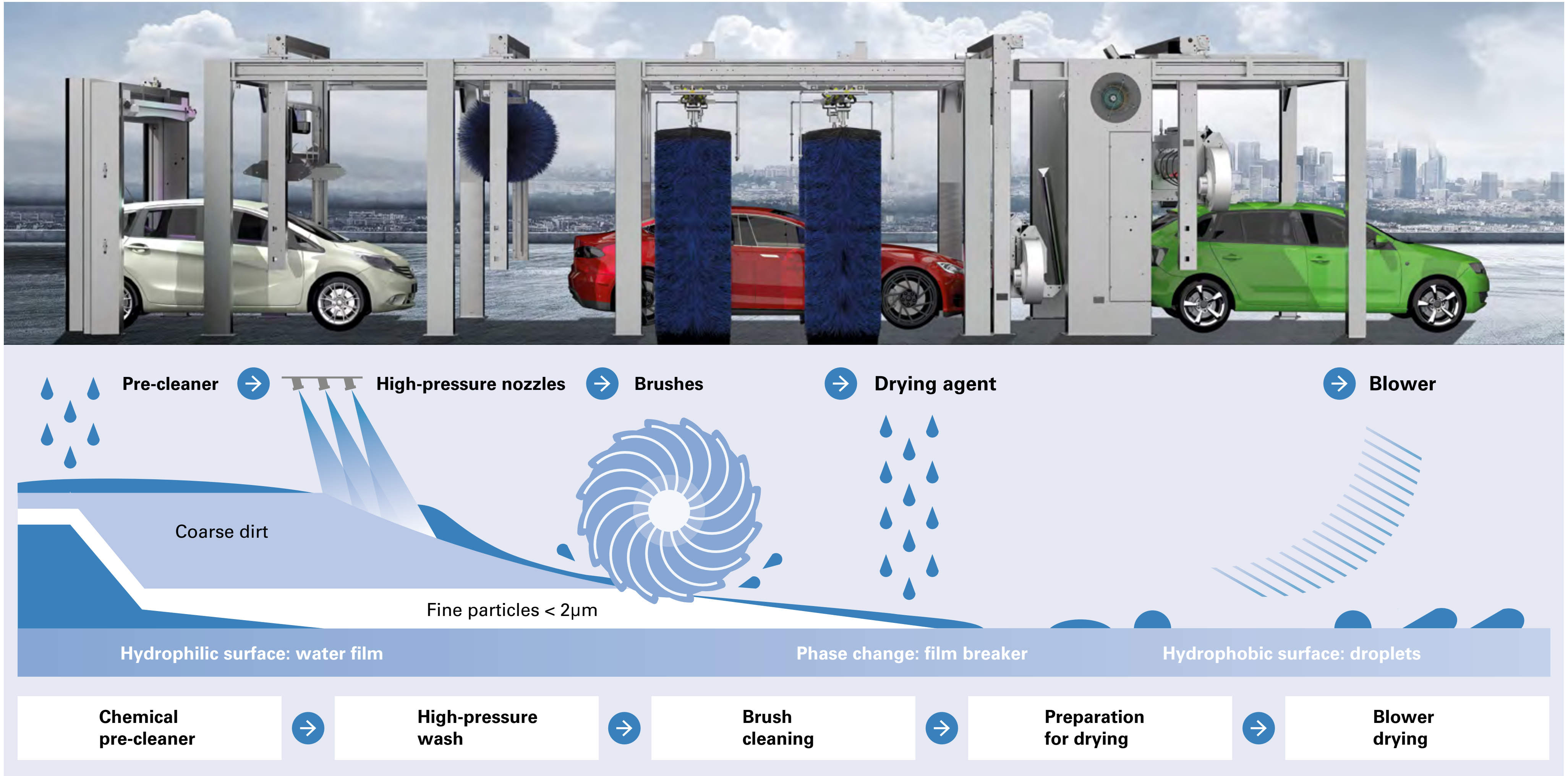
The **high-pressure wash** stage removes large quantities of dirt and hard particles together with the pre-cleaner. The system usually uses flat-jet and rotating point-jet nozzles that spray water onto the vehicle surface at a specified distance and angle. The main factor for optimum cleaning performance in the high-pressure wash stage is mechanical action.

The **brush station** removes fine particles from the vehicle's surfaces. This stage of the carwash process depends for its effectiveness on the design of the brushes in terms of material and their position relative to the vehicle surface. The brushes are fed with water through nozzles during the wash process to avoid scratching the paintwork. A brush shampoo may also be added to the water. The most important factors in this stage of the cleaning process are mechanical action and time.

By the **preparation for drying** stage, there is a continuous film of water on the vehicle surface as a result of detergents in the washing chemicals. This water film now has to be broken up into droplets. This is done by applying a water-repellent, hydrophobic layer that subsequently influences droplet dispersal.

This is followed by **blower drying**. For spotless results, the water droplets need to be removed with the aid of a blower. Comprising a roof blower and side blowers, the drying system is made up of a combination of fans and nozzles. There is usually a blower duct. The relevant parameters in the process circle here are chemicals, time and mechanical action.

*This chapter is not a requirement of the ESRS and serves the purpose of a better reader's understanding. It is not to be regarded as part of the non-financial statement.


Pre-cleaner
High-pressure nozzles
Brushes
Drying agent
Blower
Coarse dirt
Fine particles < 2µm
Hydrophilic surface: water film
Phase change: film breaker
Hydrophobic surface: droplets
Chemical pre-cleaner
High-pressure wash
Brush cleaning
Preparation for drying
Blower drying

9.1.3.2 Interests and views of stakeholders

WashTec takes the interests and views of stakeholders into account in its corporate strategy and business model.

WashTec engages in dialogue with its stakeholders through various channels. This dialogue makes it possible to gain insights into the views and priorities of stakeholders regarding all matters of concern to WashTec and thus also sustainability matters.

Stakeholder dialogue is conducted both in the form of regular exchange and as the need arises.

WashTec maintains an overview of all stakeholders worldwide and their regular or occasional concerns.

Stakeholders' interests and views have been considered in the course of identifying and assessing the materiality of impacts, risks and opportunities.

The following table shows the key stakeholders, the organization of engagement, the purpose of engagement and the integration of the outcomes of stakeholder engagement.

The Management Board and Supervisory Board of WashTec AG are informed about the views and interests of WashTec AG stakeholders by the Sustainability Officer and sustainability reporting project management as the need arises. Internal feedback processes with employees are reported on in section 9.3.2.2.

Stakeholder	Organization of engagement	Purpose of engagement	Outcomes of engagement and integration of the outcomes
Customers	▪ Bilateral meetings and on-site visits ▪ Various forms of customer feedback (such as questionnaires, phone calls and personal interaction) ▪ Regular exchange with customers at events and trade fairs ▪ Website contact forms	▪ Establishing good customer relationships and building trust in the relationships ▪ Gaining understanding of customer requirements with regard to sustainability ▪ Feedback on product safety and quality	▪ Onward evolution of the strategy ▪ Revision of sales targets ▪ Development of resource-efficient innovations ▪ Improvements in product safety and quality
Employees/where applicable, works council	▪ Workplace meetings ▪ Personal and regular exchange with employee representatives ▪ Regular personal communication with the Diversity Team ▪ Employee surveys ▪ Whistleblower protection channel	▪ Engaging with employee views and experiences ▪ Feedback on business conduct ▪ Improving health and safety ▪ Improving action on diversity, equal treatment and inclusion ▪ Ensuring compliance	▪ Onward evolution of the strategy ▪ Adaptation of policies and processes ▪ Occupational safety certifications (such as SCC) ▪ Events with a diversity focus

Continuation of the table page 86

Continuation of the table of page 85

Stakeholder	Organization of engagement	Purpose of engagement	Outcomes of engagement and integration of the outcomes
Suppliers	▪ Bilateral meetings and visits to the most important suppliers ▪ Regular exchange with suppliers at events and trade fairs ▪ Supplier audits	▪ Establishing good supplier relationships and building trust in the relationships ▪ Exchange on sustainability in the supply chain ▪ Adhering to supply chain compliance ▪ Adhering to occupational safety processes ▪ Feedback on product safety and quality	▪ Onward evolution of the strategy ▪ Revision of supplier targets ▪ Improvements in the sustainability of purchased products ▪ External, certified safety management systems ▪ Supplier assessment and where necessary changes of supplier
Investors and banks	▪ Regular investor calls and written communication ▪ Personal meetings with banks, investors and investor representatives ▪ Participation in capital market events and roadshows	▪ Gaining understanding of expectations with regard to sustainability ▪ Exchange on ESG ratings ▪ Attracting investors	▪ Onward evolution of the strategy ▪ Adaptation of policies and processes ▪ Improvement of ESG ratings ▪ Feedback on the materiality assessment
End-users	▪ Various forms of end-user feedback (such as social media) ▪ Regular exchange with end-users at events and trade fairs ▪ Website contact forms	▪ Gaining understanding of end-user requirements with regard to sustainability ▪ Feedback on product safety and quality	▪ Onward evolution of the strategy ▪ Revision of sales targets ▪ Development of resource-efficient innovations ▪ Improvements in product safety and quality
Policymakers	▪ Exchange with policymakers on an occasional basis, for example at events	▪ Compliance with legal requirements ▪ Compliance with sustainability requirements ▪ Securing jobs	▪ Onward evolution of the strategy ▪ Reduction of the carbon footprint through sustainable production
Industry associations	▪ Regular exchange in committees	▪ Joint lobbying	▪ Onward evolution of the materiality assessment

9.1.3.3 Material impacts, risks and opportunities and their interaction with strategy and business model

Disclosures on the material impacts, risks and opportunities and their interaction with strategy and business model can be found in the information on the relevant topical standards (sections 9.2.2.2.2, 9.2.3.1.1, 9.2.4.1.1, 9.3.1.2 and 9.4.2.1).

9.1.4 Impact, risk and opportunity management

9.1.4.1 Description of the general process to identify and assess material impacts, risks and opportunities

The performance of a materiality assessment is the basis of the sustainability reporting. In it, WashTec systematically analyzes material sustainability-related impacts, risks and opportunities.

The impacts, risks and opportunities have been identified and assessed uniformly for the entire WashTec Group, taking into account the entire value chain. Specific information on the process for identifying and assessing impacts, risks and opportunities can be found in the topical disclosures on climate change (section 9.2.2.3.1), water pollution (section 9.2.3.1.1), water resources (section 9.2.4.1.1) and business conduct (section 9.4.2.1).

The result of the materiality assessment was presented to, evaluated and approved by the Management Board.

9.1.4.1.1 Process to identify and assess material impacts, risks and opportunities in general

Die Identifizierung von Auswirkungen, Risiken und Chancen basiert auf der Nutzung interner sowie externer Quellen sowie auf dem Dialog mit internen und externen Stakeholdern.

Impacts, risks and opportunities are identified by reference to internal and external sources and in dialogue with internal and external stakeholders.

The basis for identifying impacts, risks and opportunities comprised the comprehensive list of sustainability matters in ESRS 1 AR 16. This list was supplemented with further matters of potential relevance to the WashTec Group. The outcome was a list of sustainability matters specific to the entire WashTec Group.

Two dimensions are relevant for assessing the materiality of a given sustainability matter:

- Impact materiality
- Financial materiality of the opportunities and risks.

If a sustainability aspect is material in relation to either of these two dimensions, WashTec reports on it in the non-financial statement in accordance with the requirements of the ESRS.

The identification and assessment of impacts, risks and opportunities was carried out on the basis of interviews with specialist departments. For certain social and environmental impacts, risks, and opportunities, additional external sources were consulted, including information from industry associations and governmental institutions.

Consideration was given to the specific regulatory and economic circumstances in each country. Outcomes of stakeholder dialogue formats were also included, such as discussions with the works council.

The process identifying impacts, risks, and opportunities followed a top-down approach with subsequent bottom-up verification by the WashTec subsidiaries.

9.1.4.1.2 Assessment of impact materiality

The scale, scope and irremediable character of each impact was assessed using scores.

Scale describes how grave a negative impact is or how beneficial a positive impact is for people or the environment. Scope describes the extent of environmental damage, its geographical reach or in the case of impacts on people the number of people affected. Irremediable character describes whether and to what extent negative impacts could be remediated by restoring the environment or affected people to their prior state.

Each of these criteria was assigned a score of 0 (very low) to 5 (very high) and the arithmetic mean calculated.

In the case of potential impacts, the expected likelihood of occurrence was taken into account in the assessment and a mean of 3.0 or greater assumed for the materiality threshold.

Even if the mean is less than 3.0, however, impacts can still be classified as material. This is the case if any one of the scores for the scale, scope or irremediable character of the impact is assessed as very high.

9.1.4.1.3 Assessment of financial materiality

Financial materiality was assessed, where possible, on the basis of the likelihood of occurrence and the potential magnitude of the financial effects.

The short-term time horizon was defined as up to 1 year, the medium-term time horizon as 1-5 years and the long-term time horizon as 5-10 years.

The materiality of financial risks and opportunities was assessed based on a combination of the likelihood of occurrence and the magnitude of the potential financial effects. Opportunities and risks are assessed for both dimensions on a gross basis, meaning before mitigating measures.

Following completion of the assessment, a comparison was made with the risks already accounted for in the risk management system with regard to completeness and assessment. Sustainability risks are thus presented in a comparable manner to other risks within the WashTec risk management system and can be prioritized accordingly. However, it should be noted that the ESRS assessment methodology differs in part from the risk management system. This relates, for example, to gross versus net assessment and to the time horizon, which is longer under ESRS than in the risk management system.

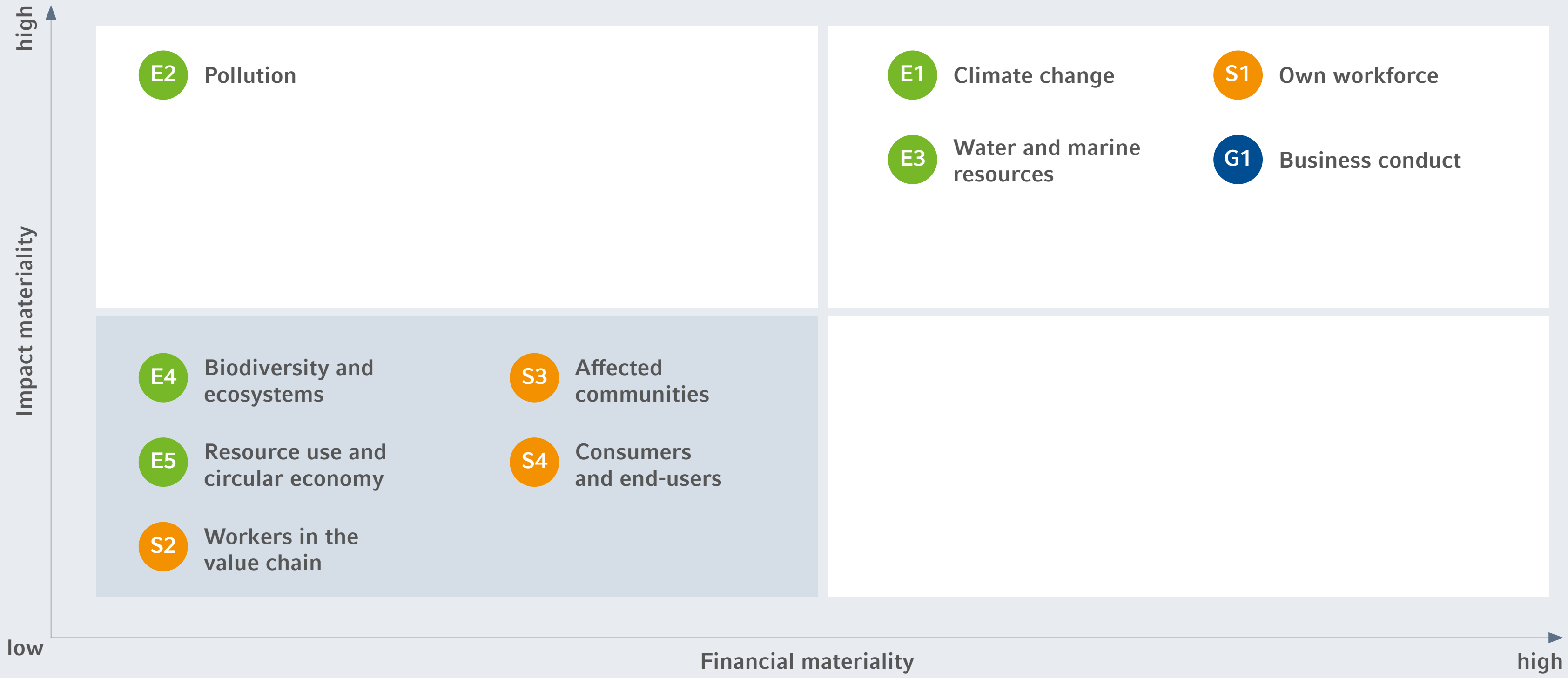
The threshold for financial materiality was set at €5,000,000 in relation to the potential impacts on WashTec’s cash flows, development or performance, financial position, cost of capital or access to finance.

Unquantifiable financial impacts were estimated using qualitative information and the exceptions under ESRS 1 (Appendix C) applied for the first year of reporting.

9.1.4.1.4 Outcome of the double materiality assessment

As the outcome of the identification and assessment process, a total of 26 material impacts, risks and opportunities were identified.

These are described under the relevant topical standards (sections 9.2.2.2.2, 9.2.3.1.1, 9.2.4.1.1, 9.3.1.2 and 9.4.2.1).



The position of the ESRS topical standards within a matrix field does not allow any conclusions to be drawn about the the exact level of the financial materiality or the impact materiality. The arrangement is according to the specified order within the ESRS.

9.1.4.2 General policies adopted to manage material sustainability matters

Group-wide policies adopted to manage material sustainability matters in the WashTec Group are listed in the table below.

Policy	General objectives	Core content	Scope	Level accountable
WashTec Code of Conduct	Specification of basic requirements for the principles of business conduct and thus risk identification, mitigation and avoidance	▪ Corporate philosophy ▪ Rules for WashTec as corporate citizen ▪ Rules for WashTec as business partner ▪ Rules for WashTec as employer ▪ Reference to WashTec whistleblower system	▪ Worldwide ▪ Own operations, upstream and downstream value chain	▪ Management Board member
WashTec Group Policy Statement on Social Responsibility and Human Rights	Commitment to respect for human rights and international standards at WashTec and its business partners	▪ Commitment to respect for human rights and international standards ▪ Corporate due diligence obligations ▪ Grievance procedure	▪ Worldwide ▪ Own operations, upstream and downstream value chain	▪ Management Board member ▪ Legal and Compliance Department
Grievance and Reporting Procedure	Description of the Grievance and Reporting Procedure	▪ Who may use the Grievance and Reporting Procedure ▪ What information may be submitted ▪ Grievance and reporting channels ▪ Processing of information submitted using the Grievance and Reporting Procedure ▪ Confidentiality ▪ Protection of whistleblowers ▪ Effectiveness review of the grievance procedure	▪ Worldwide ▪ Own operations, upstream and downstream value chain	▪ Management Board member ▪ Legal and Compliance Department

9.2 Environmental information

9.2 Environmental information

9.2.1 Disclosures on the EU Taxonomy

9.2.1.1 General

Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852), through supplementary delegated acts and European Commission pronouncements, results in reporting obligations for the disclosure of environmentally sustainable economic activities.

For all environmental objectives, the Taxonomy eligibility and Taxonomy alignment of WashTec Group's turnover (revenue), capital expenditure (CapEx) and operating expenditure (OpEx) must be reported from fiscal year 2024 onwards.

9.2.1.2 Assessment of the Taxonomy eligibility and Taxonomy alignment of WashTec's economic activities

The assessment of the Taxonomy eligibility and Taxonomy alignment of WashTec's economic activities is based on Delegated Regulations (EU) 2021/2139, 2023/2485 and 2023/2486. The WashTec Group does not engage in any economic activity related to energy generation from fossil gas or nuclear energy. Accordingly, the corresponding templates 2 to 5 under Delegated Regulation (EU) 2022/1214 are not presented.

To determine **Taxonomy eligibility,** the WashTec Group's business activities and the associated turnover (revenue), CapEx and OpEx were assigned to the corresponding economic activities listed in the Climate Delegated Act and the Environmental Delegated Act.

A detailed assessment of the WashTec Group's business activities has shown that they fall partly within the scope of the Delegated Acts issued in this connection.

The climate objectives – "climate change mitigation" (CCM) and "climate change adaptation" (CCA) – primarily relate to those economic activities and sectors which have the greatest potential to reduce GHG emissions. WashTec does not have any Taxonomy-eligible and Taxonomy-aligned turnover in relation to the climate change mitigation (CCM) and climate change adaptation (CCA) environmental objectives. With regard to CapEx and OpEx, WashTec assesses the following economic activities as Taxonomy-eligible in fiscal year 2024:

Taxonomy-eligible economic activity	Relevant KPI	KPI value (€k)	Description of WashTec Group economic activity
CCM 3.6 Manufacture of other low carbon technologies	CapEx	792	▪ Switch to electric forklifts ▪ Equipment energy optimization
CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles	CapEx	10,643	▪ Leasing of electric vehicles
CCM 7.3 Installation, maintenance and repair of energy efficiency equipment	OpEx	50	▪ Conversion to LED lighting
CCM 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CapEx	14	▪ Installation of charging stations for electric vehicles
CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CapEx	86	▪ Introduction of an energy and peak load management system ▪ Implementation of heat energy meters ▪ Switch to district heating
CCM 7.6 Installation, maintenance and repair of renewable energy technologies	CapEx	210	▪ Installation of a photovoltaic system

The CapEx and OpEx listed in the table are not related to the construction of water recycling systems, but represent other CapEx or OpEx.

WashTec assesses turnover from the sale of water recycling systems as taxonomy-eligible in relation to the "transition to a circular economy (CE)" environmental objective. With regard to CapEx and OpEx in fiscal year 2024, WashTec does not see any Taxonomy eligibility for its economic activities in relation to the "Transition to a circular economy (CE)" environmental objective.

Taxonomy-eligible economic activity	Relevant KPI	KPI value (€k)	Description of WashTec Group economic activity and significant contribution to achievement of environmental objective
CE 2.2 Production of alternative water resources for purposes other than human consumption	Revenue	7,265	Sale of water recycling systems The water recycling systems manufactured by WashTec enable the collection and treatment of gray water* and, by thus producing an alternative water resource, reduce the water consumption of the equipment in operation on customer sites.

* Gray water includes waste water from bathtubs, showers, bathroom sinks, clothes washing and laundry sinks

The three remaining environmental objectives – "Sustainable use and protection of water and marine resources" (WTR), "Pollution prevention and control" (PPC) and "Protection and restoration of biodiversity and ecosystems" (BIO) – primarily relate to those economic activities and sectors which have the greatest potential for significant improvements in environmental protection in relation to these three objectives. With regard to the WashTec Group's business model, no Taxonomy-eligible economic activities were identified in relation to these three environmental objectives.

To determine **taxonomy alignment**, an assessment was made together with in-house experts whether an economic activity cumulatively meets the following criteria:

- Makes a substantial contribution to the "transition to a circular economy (CE)" environmental objective (Article 10 to 16 of the EU Taxonomy Regulation)
- Does no significant harm ("DNSH") with regard to any of the five additional environmental objectives (Article 17 of the EU Taxonomy Regulation)
- Is carried out in compliance with the minimum safeguards for occupational safety and health and human rights (Article 18 of the EU Taxonomy Regulation)

The above-mentioned Taxonomy-eligible economic activity "Construction of water recycling systems" was assessed for Taxonomy alignment. The assessment came to the following conclusion:

With regard to assessing whether a significant contribution is made to the environmental objective "transition to a circular economy", three different criteria are relevant, all of which are met by WashTec. In the water recycling systems, gray water is segregated at source by physical means. With the water recycling system properly set up, treated water is returned to the service water circuit and is thus suitable for reuse. The performance of WashTec's water recycling systems is also available in the technical design documents.

With regard to the DNSH criteria, it was assessed whether the sale of water recycling systems does significant harm with regard to the remaining environmental objectives. WashTec has carried out an assessment of its direct GHG emissions from the operation of water recycling systems and makes this assessment available to investors and clients on demand. In order to avoid significant harm with regard to the "climate change adaptation" climate objective, the geographical locations of equipment operators were subjected to a cross-regional climate risk and vulnerability analysis. No material physical climate risks were identified. WashTec does not see any risks in the expected proper use of its equipment with regard to environmental harm in terms of maintaining good water quality and avoiding water scarcity. Water recycling systems are generally capable of reducing the amount of fresh water used compared to vehicle wash equipment without water recycling. Such systems also have special features (such as gravel filters) to ensure good water quality. The water treated by a water recycling system has no direct point of contact with surface water or groundwater. WashTec therefore considers that the provisions of Regulation (EU) 2020/741 and Directive 2006/118/EC, or any stricter national requirements that may apply in this regard, do not apply to customers given proper use of water recycling systems. WashTec has no knowledge of customers operating in or near or in biodiverse areas. Nor is WashTec aware of its customers being required to carry out environmental impact assessments under national law. WashTec therefore considers the criteria to be met for the avoidance of significant harm with regard to the “protection and restoration of biodiversity and ecosystems” climate objective.

WashTec complies with the minimum safeguards for all four core topics (human rights, bribery/corruption, taxation and fair competition). A risk assessment was performed to assess and ensure compliance with the minimum safeguards for the four core topics of human rights, bribery/corruption, taxation and fair competition and a review was conducted to determine whether adequate due diligence processes have been implemented. WashTec has also established grievance mechanisms and remedial measures.

It was not possible to assess the Taxonomy alignment of the CapEx and OpEx listed in the table because verification of compliance with the technical screening criteria resides with the suppliers and service providers and not with WashTec. This applies in particular to the DNSH criteria and compliance with the minimum safeguards. Despite its efforts to do so, WashTec was unable to obtain full documentation with regard to the technical screening criteria, the DNSH criteria and compliance with the minimum safeguards.

9.2.1.3 Determination of key performance indicators in relation to Taxonomy eligibility and Taxonomy alignment

WashTec has determined the key performance indicators under the EU Taxonomy Regulation, comprising turnover, CapEx and OpEx, in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) in force as of the reporting date together with the interpretations of the IFRS IC (IFRIC) as adopted by the European Union. The disclosures on the performance indicators relate to the companies fully consolidated in the WashTec Group’s financial statements.

Double counting is avoided by assigning Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx to one single economic activity in each case. As a rule, all key performance indicators are recorded on the same uniform level after consolidation adjustments. WashTec recognizes turnover from water recycling systems as a separate revenue stream.

The turnover key performance indicator is calculated as the proportion of revenue derived from products or services associated with economic activities that qualify as Taxonomy-eligible or Taxonomy-aligned under the Taxonomy Regulation (numerator), divided by consolidated revenue in fiscal year 2024 (denominator).

Turnover generated with water recovery systems amounted to €8,209k in fiscal year 2024 (prior year: €7,265). The numerator for Taxonomy-eligible and Taxonomy-aligned turnover from contracts with customers in accordance with the EU Taxonomy Regulation is thus €7,265k. As the Taxonomy alignment of economic activities for the “Transition to a circular economy” environmental objective is required for the first time for fiscal year 2024, WashTec is reporting Taxonomy-aligned turnover here for the first time.

The denominator is net turnover within the meaning of Article 2, point (5), of Directive 2013/34 and is €476,889 (prior year: €489,468k; see also “Revenue” in the Consolidated Income Statement, page 155).

The CapEx key performance indicator is calculated as the proportion relating to assets or processes that are associated with economic activities that qualify as Taxonomy-eligible or Taxonomy-aligned under the Taxonomy Regulation (numerator), divided by the total additions to property, plant and equipment, intangible assets and right-of-use assets in fiscal year 2024 (denominator).

The numerator of the total Taxonomy-eligible CapEx in accordance with the EU Taxonomy Regulation is €11,795k (prior year: €533k). Of this amount, €879k (prior year: €145k) relates to additions to property, plant and equipment and €10,916k (prior year: €388k) to right-of-use assets. Of the Taxonomy-eligible CapEx, €0k (prior year: €0k) relates to the construction of water recycling systems, while the remaining €11,795k (prior year: €533k) relates to other CapEx. The change relative to the prior year is mainly due to capital expenditure on a photovoltaic system. Additionally, in the prior year, additions to right-of-use assets for non-all-electric passenger cars and light commercial vehicles were not assessed as Taxonomy-eligible.

The denominator comprising CapEx consists of additions to property, plant and equipment, intangible assets and right-of-use assets in fiscal year 2024 and is €20,136k (prior year: €26,969k; see notes to the consolidated financial statements, page 186 and page 189).

The OpEx key performance indicator is calculated as the proportion relating to assets or processes that are associated with economic activities that qualify as Taxonomy-eligible or Taxonomy-aligned under the Taxonomy Regulation (numerator), divided by OpEx for fiscal year 2024 (denominator). This covers direct non-capitalized costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure their continued and effective functioning.

The numerator of the total Taxonomy-eligible OpEx in accordance with the EU Taxonomy Regulation is €50k (prior year: €4k). Of the Taxonomy-eligible OpEx, €0k (prior year: €0k) relates to the construction of water recycling systems, while the remaining €50k (prior year: €4k) relates to other OpEx. The change relative to the prior year is mainly due to higher expenditure on LED lighting.

The denominator comprising OpEx as defined above is €21,217k (prior year: €16,837k).

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024				**Substantial contribution criteria**						**DNSH criteria ("Does not Significantly Harm")**									
Economic activities	Code[a]	Turnover	Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1) or eligible (A.2) turnover 2023	Category enabling activity	Category transitional activity
(1)	(2)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
			%	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Production of alternative water resources for purposes other than human consumption	CE 2.2		2 %	N/EL	N/EL	N/EL	N/EL	J	N/EL	J	J	J	J	J	J	J	n/a	–	–
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)			2 %	N/EL	N/EL	N/EL	N/EL	J	N/EL	J	J	J	J	J	J	J	n/a		
Of which enabling			0%	–	–	–	–	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	
Of which transitional			0%	–						n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		–
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]										
n/a	n/a	–	–	–	–	–	–	–	–								2 %		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		–	–	–	–	–	–	–	–								2 %		
A. Turnover of Taxonomy-non-eligible activities (A.1 + A.2)		7.265	2%	–	–	–	–	–	–								2 %		
B. Taxonomy-non-eligible activities																			
Turnover of non-taxonomy activities		469,624	98%																
Total		**476,889**	**100%**																

[a] The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annexcovering the objective, i.e:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

[b] Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

[c] Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0 %	0 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	2 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

[d] EL Taxonomy-eligible activity for the relevant objective
N/EL Taxonomy-non-eligible activity for the relevant objective

Prior-year information in relation to the Climate Delegated Act; for the Environmental Delegated Act, prior-year information is to be provided for the first time for reporting on fiscal year 2024.

The footnotes listed here apply accordingly to the following reporting forms for the CapEx and OpEx.

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024 / 1 (Continuation of the table on page 99)

Financial year 2024				Substantial contribution criteria						DNSH criteria ("Does not Significantly Harm")									
Economic activities	Code[a]	Turnover	Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards	Proportion of Taxo-nomy-alig-ned (A.1) or eligible (A.2) CapEx 2023	Category enabling activity	Category transitional activity
(1)	(2)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€k	%	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	%	E	T
A. Taxonomy-eligible activities																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
n/a	n/a	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Of which enabling		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	
Of which transitional		–	–	n/a						n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		–

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024 / 2 (Continuation of the table from page 98)

Financial year 2024				**Substantial contribution criteria**						**DNSH criteria (“Does not Significantly Harm”)**									
Economic activities	Code[a]	Turnover	Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards	Proportion of Taxo-nomy-alig-ned (A.1) or eligible (A.2) CapEx 2023	Category enabling activity	Category transitional activity
(1)	(2)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€k	%	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	%	E	T
A.2 Taxonomy-eligible but not enviromentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]										
3.6. Manufacture of other low-carbon technologies	CCM 3.6	792	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10.643	53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
7.3. Installation, maintenance and repair of energy efficient equipment	CCM 7.3	50	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	14	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
7.5. Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	86	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
7.6. Installation, maintenance and repair of renewable energy technologies	CCM 7.6	210	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		11,795	58%	58%	–	–	–	–	–								2%		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		11,795	59%	59%	–	–	–	–	–								2%		
B. Taxonomy-non-eligible activities																			
CapEx of Taxonomy-non-eligible activities		8,341	41%																
Total		**20,136**	**100%**																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annexcovering the objective, i.e:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

(b) Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0 %	59 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

(d) EL Taxonomy-eligible activity for the relevant objective
N/EL Taxonomy-non-eligible activity for the relevant objective

Prior-year information in relation to the Climate Delegated Act; for the Environmental Delegated Act, prior-year information is to be provided for the first time for reporting on fiscal year 2024.

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024				Substantial contribution criteria						DNSH criteria ("Does not Significantly Harm")									
Economic activities	Code[a]	Turnover	Proportion of Turnover 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards	Proportion of Taxo-nomy-alig-ned (A.1) or eligible (A.2) CapEx 2023	Category enabling activity	Category transitional activity
(1)	(2)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
		€k	%	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N; N/EL[b][c]	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	Y;N;	%	E	T
A. Taxonomy-eligible activities																			
A.1 Enviromentally sustainable activities (Taxonomy-aligned)																			
n/a	n/a	–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Of which enabling		–	–	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	–	
Of which transitional		–	–	n/a						n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		–
A.2 Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities)																			
				EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]	EL; N/EL[d]										
7.3 Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	50	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned activities) (A.2)		50	0%	–	–	–	–	–	–								0%		
A. OpEx of Taxonomy eligible activities (A.1 + A.2)		50	0%	–	–	–	–	–	–								0%		
B. Taxonomy-non-eligible activities																			
OpEx of Taxonomy-non-eligible activities		21,167	100%																
Total		**21,217**	**100%**																

(a) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annexcovering the objective, i.e:

- Climate Change Mitigation: CCM
- Climate Change Adaptation: CCA
- Water and Marine Resources: WTR
- Circular Economy: CE
- Pollution Prevention and Control: PPC
- Biodiversity and ecosystems: BIO

(b) Y Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0 %	0 %
CCA	0 %	0 %
WTR	0 %	0 %
CE	0 %	0 %
PPC	0 %	0 %
BIO	0 %	0 %

(d) EL Taxonomy-eligible activity for the relevant objective
N/EL Taxonomy-non-eligible activity for the relevant objective.

Prior-year information in relation to the Climate Delegated Act; for the Environmental Delegated Act, prior-year information is to be provided for the first time for reporting on fiscal year 2024.

Nuclear and fossil gas related activities under the Delegated Regulation as regards economic activities in certain energy sectors

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gase-ous fuels.	NO

9.2.2 Disclosures on climate change

9.2.2.1 Integration of sustainability-related performance in incentive schemes in relation to environmental matters

The incentive scheme for the Management Board and Supervisory Board of WashTec AG is described in section 9.1.2.3.

9.2.2.2 Strategy in relation to climate change

9.2.2.2.1 Transition plan for climate change mitigation

WashTec calculates its GHG emissions in accordance with the GHG Protocol and distinguishes between Scopes 1, 2 and 3 as required by the standard. On this basis, clear, measurable targets have been formulated and a transition plan has been developed aiming for reductions in Scope 1 and 2 GHG emissions in countries with production sites of 30% by 2025 and 50% by 2030. The target relates to the 2019 base year and only include emissions from countries with production sites and from the sales and service organizations in those countries. WashTec is aiming for full decarbonization in Scope 1 and 2 at production sites and additionally at all sales and service organizations worldwide by 2040. The target for 2025 was achieved ahead of schedule in 2024.

2019 was selected as the base year because at the time of compiling the Environment and Energy Roadmap 2025, it was the last representative year without major external influences on environmental and energy-related metrics, such as the Covid pandemic or supply chain disruptions. WashTec uses a wide variety of metrics to track the dynamic global developments in the targets over recent years.

The 100% reduction target for Scope 1 and 2 GHG emissions by 2040 is more ambitious than the EU's 2050 climate neutrality target based on the European Green Deal.

No transition plan has yet been adopted for Scope 3 GHG emissions. WashTec therefore does not have a transition plan that covers GHG emissions in Scopes 1, 2 and 3. However, WashTec intends to take action to further reduce Scope 3 GHG emissions.

Around 80% of the Scope 1 and 2 GHG emissions generated by WashTec worldwide are attributable to the vehicle fleet, 9% to the Company's own heat energy production, 8% to electricity and 2% to purchases of district heating.

The main action area at WashTec for decarbonization of Scope 1 GHG emissions is conversion of the vehicle fleet to alternative forms of propulsion. With regard to the company car fleet, WashTec applies a technology-neutral approach, monitoring market trends to identify the best solutions for sustainable mobility. In Europe, WashTec is currently making increasing use of electric vehicles. WashTec is dependent here on local circumstances in terms of charging options, range and charging speeds. Where these criteria cannot be met satisfactorily, WashTec uses modern drivetrain technology for high efficiency and minimum pollution. In North America, factors such as a lack of charging infrastructure continue to hinder the switch to electric vehicles. Alongside reducing emissions from travel, WashTec is working on further expanding digital solutions to reduce the number of physical journeys to customers and thus minimize energy consumption and any resulting emissions.

In its own production of heating energy – both for process heat and space heating – WashTec focuses on reducing the need for heating in the first place and on using renewable energy to provide the heat required.

With regard to electricity, there are three areas of focus. The most important area is the expansion of self-generation capacity through photovoltaic systems. Further scope for energy efficiency is being exploited by modernizing plant and machinery. The reduced residual electricity requirements are to be met wherever possible with certified green electricity.

Concerning district heat, WashTec is dependent on the transition plans of the local district heat provider in Augsburg, which has stated that it will provide zero-emission district heating by 2040. In regular dialogue with this provider, WashTec is monitoring the progress of the transition to emission-free district heating by 2040.

By implementing energy-efficient technologies and increasing the use of renewable energy sources, WashTec is confident of achieving the Scope 1 and 2 GHG emission targets. WashTec ensures this by continually analyzing the products and solutions available on the market, weighing their deployment on the basis of all relevant parameters and implementing them where they meet WashTec's requirements.

WashTec regards the main decarbonization levers in Scope 3 GHG emissions as being in categories 3.1 "Purchased goods and services" and 3.11 "Use of sold products". In the upstream value chain, around 28% of Scope 3 emissions relate to the "Purchased goods and services" category. Sustainability criteria always feature in the selection of new suppliers and service providers. This ensures that selected suppliers are in line with WashTec's general sustainability strategy. Both new and existing suppliers must commit to the WashTec Supplier Code of Conduct, which was adopted in fiscal year 2024. The WashTec Supplier Code of Conduct also includes environmental responsibility requirements.

A further approximately 68% of WashTec's total Scope 3 GHG emissions fall under the "Use of sold products" category. Here, the biggest factor influencing GHG emissions is the energy mix used to power equipment. The GHG emission burden in this category will fall as more customers run their equipment on green electricity and as national energy mixes incorporate more renewable sources. Environmental and energy aspects play a key role in the development of new and improved products. Related requirements are specified in a Sustainable Design Guideline. This will also lead to future improvements in Scope 3 GHG emissions in the downstream value chain.

The remaining approximately 4% of Scope 3 GHG emissions relates to various categories and is of minor importance compared to the "Use of sold products" and "Purchased goods and services" categories.

The investments and funding needed to implement the transition plan in Scope 1 and 2 are planned at WashTec as part of the budgeting for the next three years. Total investments and funding planned in this regard for the years 2025 to 2027 amount to €1,971k. WashTec also refers to the information on the EU Taxonomy in section 9.2.1.

WashTec's climate change mitigation efforts are consistent with the strategy. In regular dialogue between the Environment and Energy Team and the Management Board, they are subject to ongoing review and discussed, monitored and further developed in consultation with all relevant decision-makers.

The financial resources needed to implement the transition plan are budgeted annually over the implementation period. In the budgeting process, individual climate change mitigation actions are costed and scheduled in detail.

WashTec is not excluded from the EU Paris-aligned benchmarks. WashTec is not excluded from the exclusion criteria stated in Articles 12(1)(d) to (g) and 12(2) of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation).

The Company's transition plan was approved in a multi-stage approval process. First, the transition plan was approved by the Environment and Energy Team and then by resolution of the WashTec AG Management Board. The transition plan was then approved in a second step by the Supervisory Board.

WashTec has already made progress in reducing Scope 1 and 2 GHG emissions in the past. In fiscal year 2024, Scope 1 and 2 GHG emissions in countries with production sites and in sales and service organizations based in those countries were reduced by approximately 34% compared to the 2019 base year. The ambitious target of a 30% reduction in CO_2e by 2025 was thus exceeded ahead of schedule. This includes conversion of the German plants to 100% green electricity, conversion of heating systems to district heating, active use of waste heat and commencing the electrification of the vehicle and forklift fleet. Continuous improvements in the energy efficiency of fabrication and production processes have also contributed significantly to the above-mentioned reduction.

9.2.2.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model

Sustainability matter	Material IRO	Description of the IRO and impacts on people and the environment	Location in the business model	Location in the value chain	Classification as physical or transition risk
Energy consumption	Negative actual impacts of energy consumption	WashTec consumes energy (mainly electricity and gas) in its own operations. The resulting GHG emissions have a negative impact in terms of climate change.	Production of equipment, systems and washing chemicals (Group-wide)	Own operations	n/a
Energy consumption	Negative actual impacts of energy consumption	Some purchased products and services are energy-intensive. This mainly relates to the production of steel, stainless steel and aluminum as raw materials. The resulting GHG emissions have a negative impact in terms of climate change.	Procurement of products and services for equipment and systems (Group-wide)	Upstream value chain	n/a
Energy consumption	Negative actual impacts of energy consumption	Customers consume energy (mainly electricity) in the operation of their wash equipment. The resulting GHG emissions have a negative impact in terms of climate change.	Sales markets and customer groups (Group-wide)	Downstream value chain	n/a
Energy consumption	Negative actual impacts of heating or cooling buildings	WashTec consumes energy by heating buildings in winter. The resulting GHG emissions have a negative impact in terms of climate change.	Facility management (Group-wide)	Own operations	n/a
Energy consumption	Negative actual impacts of GHG emissions from the Company's own vehicle fleet	WashTec's vehicle fleet (mainly in service and sales) is mostly gasoline or diesel-powered. The resulting GHG emissions have a negative impact in terms of climate change.	Service and sales (Group-wide)	Own operations	n/a
Climate change mitigation	Risk of changes in people's driving behavior	Climate change, increasing road congestion and greater environmental awareness could all result in vehicles being used less in order to protect the environment. This could lead to lower carwash use and thus fewer service callouts, reduced chemical consumption and reduced customer investment in vehicle wash equipment.	Sales markets and customer groups (Group-wide)	Own operations and downstream value chain	Transition risk
Climate change mitigation	Opportunities from digitalization	Digitalization presents opportunities for WashTec and its downstream value chain to reduce GHG emissions, for example with remote services.	Product development, sales markets and customer groups (Group-wide))	Own operations and downstream value chain	n/a

A total of seven climate change-related impacts, risks and opportunities were identified as material. The material climate change-related impacts, risks and opportunities and their location in the business model and value chain are shown in the table below.

WashTec considers the actual negative impacts related to energy consumption in its own operations from production, heating and the vehicle fleet to be material. As described in sections 9.1.3.1.1 and 9.2.2.2.1, the Group-wide strategy also covers GHG emission reductions for the Company's own production sites and subsidiaries. WashTec has already taken action in this regard in the past, such as installing resource-efficient heating technology, switching to electric vehicles and converting to certified green power at the German production sites.

WashTec expects future changes in decision-making with regard to energy consumption in the upstream value chain, as WashTec plans to give greater weight than ever to upstream value chain energy consumption when selecting suppliers.

To reduce energy consumption in the downstream value chain, WashTec takes energy efficiency into account in development activities.

The actual negative impacts related to energy consumption in the Company's own operations from production, heating and the vehicle fleet are directly related to the business model, as WashTec would not be able to operate in the market without energy sources such as electricity and fuel. WashTec has also embedded this in its strategy by setting reduction targets for Scope 1 and 2 GHG emissions.

WashTec assumes that the actual negative impacts related to energy consumption in its own operations from production, heating and the vehicle fleet will apply over the short, medium and long term. To minimize the related GHG emissions, WashTec takes action such as switching to electric vehicles and carbon-neutral energy sources. WashTec will continue to need energy for operations, however.

In the medium to long term, WashTec expects that the changes in people's driving behavior will have a negative financial impact and that digitalization will have a positive financial impact. However, this will not result in any significant changes to WashTec's investment and disposal plans or sources of finance. No financial effects are currently measurable.

The WashTec Group's business model is exposed to the above-mentioned material impacts, risks and opportunities. However, the impacts, risks and opportunities are not considered to be so material that they could have a radically negative impact on the business model. This has been assessed in a qualitative resilience assessment of the business model. One reason is that action has already been taken to mitigate the effects of negative impacts and risks. Secondly, there is effective risk management system enabling early identification, assessment and monitoring of opportunities and risks.

9.2.2.3 Impact, risk and opportunity management in relation to climate change

9.2.2.3.1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The process to identify and assess material impacts, risks and opportunities is described in general terms, together with the methodologies, assumptions and tools used, in section 9.1.4.1.

In this connection, account has also been taken of climate change impacts of GHG emissions in the Company's own operations and in the upstream and downstream value chain. As part of this process, WashTec also analyzed actual and potential future sources of GHG emissions and, where applicable, causes of other climate-related impacts.

Physical and transition risks and opportunities were included in the identification of climate-related risks.

For physical risks, use was made of the classification of climate-related hazards in Commission Delegated Regulation (EU) 2021/2139. The assessment was location-based. It assessed whether and to what extent the WashTec Group's assets and business activities are exposed to physical risks. The risks were assessed taking into account the likelihood, magnitude and duration of the hazards. In some cases, the physical risks were assessed taking into account the geospatial coordinates of the WashTec Group's production sites. Climate-related physical risks were assessed using a high-emission climate scenario.

With regard to transition risks and opportunities, examples of climate-related transition events were considered on the basis of the Task Force on Climate-Related Financial Disclosures (TCFD) classification. It was assessed whether and to what extent the WashTec Group's assets and business activities are exposed to such climate hazards. The risks were assessed taking into account the likelihood, magnitude and duration of the hazards. WashTec has not identified any assets or business activities that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy. Climate-related transition risks were assessed using a climate scenario in line with limiting global warming to 1.5 °C.

An assessment was made of the impact of physical and transition risks over the short, medium and long term. The definition of the short, medium and long term is based on the time horizons stated in section 9.1.4.1.3.

A climate scenario analysis considering different climate scenarios has not yet been conducted. This is planned for fiscal year 2026.

9.2.2.3.2 Policies related to climate change mitigation and adaptation

WashTec has operated a certified environmental management system in accordance with ISO 14001 for over 20 years (certified sites: Augsburg, Grebenau, Recklinghausen and Nýrany) and a certified energy management system in accordance with ISO 50001 for almost 10 years (certified sites: Augsburg, Grebenau and Recklinghausen). The US plant and the sales and service organizations outside Germany are not certified to ISO 14001 or ISO 50001. However, the same processes, requirements and policies are implemented there as at the certified sites.

A comprehensive Environment and Energy Roadmap has been derived from the transition plan. To track the transition plan in detail, the projects and targets were broken out into five-year stages. WashTec is currently on the Environment and Energy Roadmap 2025, which was adopted in 2020. The 2030 plan, with corresponding targets from 2026, was adopted in fiscal year 2024. This aims for reductions in Scope 1 and Scope 2 (market-based) CO_2e emissions of 50% by 2030 compared to the 2019 base year and thus marks the next milestone on the path to a 100% reduction by 2040.

The current Environment and Energy Roadmap 2025 sets out the general agenda including specific GHG emission reduction targets. It includes 17 projects, each focusing on different aspects of operational climate change mitigation. Core elements comprise continuously increasing energy efficiency and the use of renewable energy. Sustainable design and development is also included as a measure in the Environment and Energy Roadmap. The Environment and Energy Roadmap covers the entire WashTec Group. While it focuses on WashTec's own operations and activities, these can also have an impact on the upstream and downstream value chain (an example is the impact of more sustainable design on energy consumption in the downstream value chain). Responsibility for implementing the Roadmap lies with the Environment and Energy Team, which is made up of representatives from the departments with the greatest influence on energy consumption (including the Sustainability Officer and the (departmental) heads of Fleet, Service, Production and Procurement).

With its Environment and Energy Roadmap, WashTec addresses the impacts, risks and opportunities related to energy consumption and climate change mitigation.

Implementation of the key content of the Environment and Energy Roadmap is ensured in a multi-stage process. It is monitored in both external and external audits and regular meetings of teams whose participants have a significant influence on target achievement under the Environment and Energy Roadmap. This is supplemented by monthly collection and assessment of numerous parameters and metrics that are communicated within the Company.

WashTec surveyed the views of stakeholders in connection with the development of the transition plan and the Environment and Energy Roadmap.

WashTec does not have sustainability-related policies for the risk of changes in people's driving behavior. However, current developments are continuously monitored, any need for action is reviewed and action is taken as appropriate. In this regard, WashTec is dependent on external factors such as market and product developments in the automotive industry, and also policy decisions.

In the area of digitalization, WashTec offers customers worldwide a solution for remote service support in the event of malfunctions. This can eliminate many service callouts and the related vehicle fleet GHG emissions. Responsibility for implementing this policy lies with Digital Solutions.

9.2.2.3.3 Actions and resources in relation to climate policies

Various actions and decarbonization levers have been identified to achieve Scope 1 and 2 carbon neutrality at the production sites by 2040.

The actions vary in scope, the resources required and their carbon reduction potential. A specific implementation year has been set for each individual action. This is continually aligned with the strategic direction and adjusted as needed. The table below lists the main actions taken in the 2024 reporting year or planned for the coming three years.

The "CO_2e reduction (achieved in reporting year)" column shows the actual reduction following implementation of the action in 2024. The "CO_2e reduction (forecast per year)" column, on the other hand, shows the expected emission reduction for a full year in the future when the action is implemented.

Main actions	Scope	Status	Time horizon for implementation/ time of implementation	tCO_2e reduction (achieved in reporting year)	tCO_2e reduction (forecast per year)
Modernization of the vehicle fleet	Germany	Implemented	2024	6	9
Conversion to district heating	Germany	Implemented	2024	92	105
System energy optimization	Augsburg	Planned	2025	0	40
Change of energy sources	Augsburg	Planned	2026	0	23
Conversion of a building heating system	Augsburg	Planned	2027	0	25
Conversion of a building heating system	Augsburg	Planned	2026	0	20
Conversion of a production plant heating system	Grebenau	Planned	2025	0	58
Vehicle fleet modernization/electrification	Germany	Planned	2025-2027	0	38

WashTec installed a photovoltaic system in Germany in fiscal year 2024. This saves around 200 MWh a year in purchased energy. As WashTec purchases exclusively green electricity in Germany, this only affects energy procurement and not CO_2e emission reductions. Based on the CO_2 equivalent for the general German electricity mix, it translates to an annual reduction of 66 t CO_2e.

With regard to remote services, the Company has various measures in place to reduce its Scope 1 GHG emissions. For example, digital modules can be used to identify any spare parts required and send them to a customer in advance. WashTec can also deploy service technicians remotely by video. In this way, service callouts can be resolved remotely with support from the equipment operator's personnel. Overall, this can eliminate many on-site service callouts and thus CO_2e emissions. The potential CO_2e reduction from remote services has not been quantified.

WashTec addresses the reduction of Scope 3 GHG emissions in two main ways: firstly, in the selection process for new suppliers and, secondly, through the requirements for the product development process specified in the Design Guideline.

WashTec does not require any significant CapEx or OpEx to implement the various actions.

9.2.2.4 Metrics and targets related to climate change

9.2.2.4.1 Targets related to climate change mitigation and adaptation

WashTec's corporate goal is full decarbonization in Scope 1 and 2 by 2040 (gross target). As the first milestone towards this, the Company aims for a 30% reduction in GHG emissions (Scope 1 and 2) at the production plants by 2025 relative to the 2019 base year. WashTec has set the reduction target as a combined target. It is therefore not possible to break it down into Scope 1 or 2 or individual greenhouse gases.

In the 2019 base year, the production plants generated 8,525 t of Scope 1 and 2 CO_2e emissions. For target achievement, WashTec focuses mainly on energy efficiency measures, the use of emission-free technologies and switching to green electricity.

WashTec has not yet specified any targets for Scope 3 GHG emissions. This is to be done on implementing a transition plan for Scope 3.

The basis for determining the targets comprised external and internal conditions at the time. Sector-specific decarbonization paths were not taken into account. In the case of the vehicle fleet, the WashTec Group is dependent on technical progress and the resulting scope for using alternative forms of propulsion. The same applies to the decarbonization of the surface coating system, which requires high process temperatures. It was generally assumed that communicated policy plans and measures on climate change would be implemented. WashTec also assumes that the 1.5 degree target under the Paris Climate Agreement can be achieved. The transition plan has not been externally validated in this regard and the GHG reduction targets are not science-based.

The views of stakeholders were surveyed on setting the CO_2e reduction targets.

The table below shows the relevant decarbonization levers planned for target achievement by 2030 under the WashTec Environment and Energy Roadmap 2030. They are assigned to the individual scopes, classified and quantified.

Dekarbonisierungshebel der WashTec Gruppe

Classification	GHG accounting	Quantification (tCO_2e)	Percentage of the reduction target
Electrification	Scope 1	1,088	48.8%
Use of renewable energies	Scope 2	595	26.7%
Fuel switching	Scope 1	264	11.8%
Energy efficiency	Scope 1	202	9.1%
Decarbonization of the energy mix	Scope 2	48	2.2%
Energy efficiency	Scope 2	16	0.7%
Fuel switching	Scope 2	15	0.7%
	Gesamt	2,228	100.0%

The actions up to 2030 that affect the level of Scope CO_2e emissions add up to potential reductions of 1,554 t CO_2e. Projects assigned to Scope 2 (market-based) contribute further potential reductions of 674 t CO_2e.

Together, the actions in the table have a combined reduction potential of 2,228 t CO_2e. WashTec monitors progress towards target achievement by tracking Group-wide Scope 1 and 2 GHG emissions during the year and reporting them to the Management Board.

9.2.2.4.2 Energy consumption and mix

The scope of the disclosures on energy consumption and energy mix depends on whether and to what extent WashTec's activities fall under the high climate impact sectors listed in sections A to H and L as defined in Regulation (EU) 2022/1288. An internal analysis has shown that WashTec's production of its equipment falls under Code 28.1 "Manufacture of general purpose machinery". With the AUWA cleaning products, WashTec falls under Code 20.41 "Manufacture of soap and detergents, cleaning and polishing preparations". All of WashTec's activities and the net revenue generated thus relate to high climate impact sectors. Net revenue from high climate impact sectors therefore corresponds to consolidated revenue.

The WashTec Group's total energy consumption in fiscal year 2024 was 36,029 MWh.

Based on consolidated revenue, this results in an energy intensity of 75.53 MWh/€m. The consolidated revenue figure corresponds to consolidated revenue in the consolidated income statement.

WashTec's energy consumption by source is as follows.

	Total
Total energy consumption (MWh)	**36,029**
a) Total fossil energy consumption	31,143
Fuel consumption from coal and coal products	0
Fuel consumption from crude oil and petroleum products	25,881
Fuel consumption from natural gas	3,453
Fuel consumption from other fossil sources	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	1,809
b) Consumption from nuclear sources (MWh)	627
c) Total renewable energy consumption	4,259
i) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0
ii) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	4,116
iii) Consumption of self-generated non-fuel renewable energy	143
Renewable energy production	172

WashTec does not have any fuel consumption from coal and coal products or from other fossil sources. Nor is there any fuel consumption from biomass, biofuels, biogas or green hydrogen.

Energy consumption data across all energy sources (electricity, energy sources for heat generation and fuels) was collected centrally by the Energy Management department. At the ISO 50001-certified plants in Germany and the Czech Republic, monthly energy consumption data is recorded and documented as part of data collection for energy-related metrics. The data required from the US plant and from all international service and sales organizations was obtained in a central data request. As part of this process, once the consumption data is provided, central Energy Management department carries out plausibility checking against historical data.

The energy consumption in the various categories can be assigned to the sources set out below. The consumption data for each category is recorded as follows.

- Fuel consumption from crude oil and petroleum products: Consumption of diesel, gasoline, forklift gas, heating oil and liquefied gas, from supplier invoices
- Fuel consumption from natural gas: Consumption of natural gas, from natural gas supplier invoices
- Electricity and heat from fossil sources: fossil portion of electricity and district heating purchases, from supplier billing data
- Total energy consumption from nuclear sources: nuclear portion of purchased electricity, from location-based electricity mix

- Purchased electricity; heat from renewable sources: renewable portion of purchased electricity and district heating, from electricity and district heating supplier billing data
- Consumption of self-generated energy: amount of self-consumed electricity from photovoltaic systems, aggregated in own monitoring system
- Energy generation from renewable sources: amount of self-generated electricity from photovoltaic systems, aggregated in own monitoring system

The electricity and district heating energy mix used in the calculations was obtained from the local provider in the case of the German plants or and from the LowCarbonPower database for the international sites. As complete data was not yet available for 2024 at the time of data collection, corresponding data from 2023 was used for the following countries: USA, UK, Netherlands, Australia and New Zealand.

The energy metrics have not been externally verified.

9.2.2.4.3 Gross Scopes 1, 2 and 3 and Total GHG emissions

The WashTec Group's corporate carbon footprint for fiscal year 2024 is made up as follows:

	Retrospective				Milestones and target years				
	Base year (2019)	2023	2024	Percentage change to 2023	2025	2030	2040	2050	Annual % target / Base year
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions (tCO_2e)	**8,756**	**7,718**	**7,752**	**100.4%**	**7,683**	**5,938**	**0**	**0**	**6%**
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0	0	0	0	0	
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions (tCO_2e)	**2,922**	**1,805**	**1,909**	**105.8%**	**1,909**	**2,428**	**1,214**	**0**	**6%**
Gross market-based Scope 2 GHG emissions (tCO_2e)	**2,540**	**842**	**909**	**107.9%**	**909**	**298**	**0**	**0**	**6%**

Continuation of the table on page 114

Continuation of the table from page 113

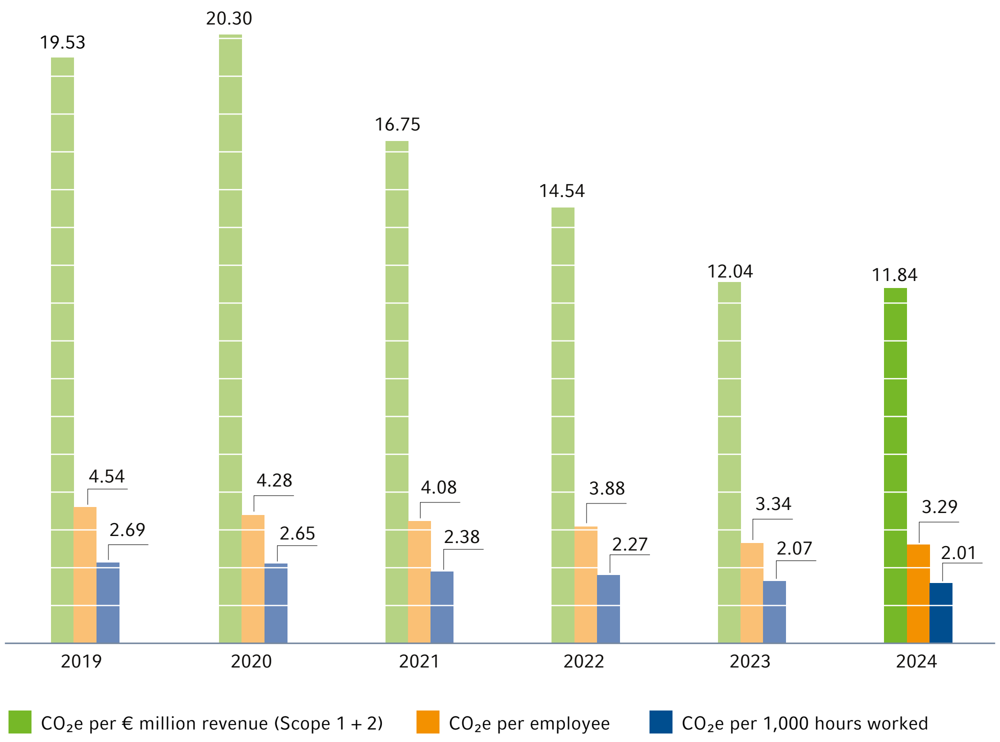
	Retrospective				Milestones and target years				
	Base year (2019)	2023	2024	Percentage change to 2023	2025	2030	2040	2050	Annual % target / Base year
Significant scope 3 GHG emissions									
Total Gross indirect (Scope3) GHG emissions (tCO2e)	First time assessment of total Scope 3 in fiscal year 2024		**176,241**	**–**	**n/a***	**n/a***	**n/a***	**n/a***	**n/a***
3.1 Purchased goods and services			48,955	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.2 Capital goods			1,338	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.5 Waste generated in operations			21	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.6 Business traveling			1,125	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.7 Employee commuting			898	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.11 Use of sold products			119,784	–	n/a*	n/a*	n/a*	n/a*	n/a*
3.12 End-of-life treatment of sold products			4,080	–	n/a*	n/a*	n/a*	n/a*	n/a*
Total GHG emissions									
Total GHG emissions (location-based) (tCO_2e)	**11,678**	**9,523**	**185,902**						
Total GHG emissions (market-based) (tCO_2e)	**11,296**	**8,560**	**184,901**						

* No milestones, since transition plan for Scope 3 GHG emissions has not yet been implemented

Total GHG emissions in the WashTec Group across all scopes amounted to 184,901 t CO_2e (market-based) in fiscal year 2024.

Based on consolidated revenue, this results in a GHG intensity of 387.6 CO_2e/€m. The consolidated revenue figure corresponds to consolidated revenue in the consolidated income statement.

CO_2e emissions in relation to consolidated revenue, employee numbers and Group-wide working hours are broken down as follows*:



This graphic is no requirement of ESRS and therefore not to be seen as part of the non-financial statement

9.2.2.4.4 Underlying assumptions and methodologies for calculation of the corporate carbon footprint

WashTec's GHG emissions are calculated in accordance with the Greenhouse Gas Corporate Accounting and Reporting Standard (GHG Protocol).

The following seven greenhouse gases were taken into account: Carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3).

To ensure comparability, the GHG emissions were converted into CO_2 equivalents (CO_2e) using corresponding emission factors.

The generated CO_2e emissions are calculated by multiplying the amount of energy by the CO_2 equivalent factor for each energy source. The factors are classified as market-based where the calculation basis is a factor from the energy provider. In the absence of such a specific factor, location-based factors are used that apply to a specific region or country.

The emission metrics determined here have not been externally verified.

WashTec does not have operational control over associates, joint ventures, or shares in affiliated companies. Scope 1 and 2 GHG emissions are therefore not disclosed separately for the consolidated accounting group in accordance with ESRS E1 paragraph 50.

9.2.2.4.5 Databases used

To calculate the corporate carbon footprint (CCF), WashTec uses third-party life cycle databases that are listed online on the GHG Protocol website.

That is, WashTec uses publicly accessible databases for suitable CO_2 equivalent factors. A list of the databases used can be found in the Annex.

9.2.2.4.6 Assumptions and methodologies for the calculation of Scope 1 GHG emissions

WashTec's Scope 1 GHG emissions mainly relate to the vehicle fleet.

The foreign subsidiaries record and aggregate their fuel consumption on the basis of fuel bills and send this data regularly to the corporate Energy Management department in Germany. For the German sites, fuel consumption is recorded automatically in a fleet management system that processes the consumption data from fuel bills in real time.

Group-wide fuel consumption is then converted into CO_2 equivalents using information from databases.

The CO_2 equivalents for gasoline and diesel are taken from the DEFRA database.

For fossil fuels and cooling media, the CO_2 equivalents are obtained in some cases from energy suppliers and in some cases from the DEFRA database.

9.2.2.4.7 Assumptions and methodologies for the calculation of Scope 2 GHG emissions

Scope 2 GHG emissions mainly relate to purchased electricity at the production plants in the USA and the Czech Republic and to purchased district heating at the German production sites. We calculate the resulting CO_2e emissions using the market-based approach. The consumption data for the above energy types is collected centrally. All figures for Germany are taken directly from energy suppliers' invoices. The energy consumption data at the plants in the Czech Republic and the USA is reported monthly to the central Energy Management department on the basis of supplier bills and documented. The figures are then converted to CO_2 equivalents. If an equivalent is not provided by the supplier, the Data.gov database is used.

Electricity consumption for electric vehicles is broken down into electricity charged on-site and electricity charged off-site. For electricity charged off-site, WashTec uses the electricity mix for the country where the vehicle user is based. WashTec obtains this from the Probas database. Charging using the charging infrastructure at the German production plants does not generate any CO_2e emissions due to the use of 100% green electricity.

9.2.2.4.8 Assumptions and methodologies for the calculation of Scope 3 GHG emissions

The first step was to analyze which Scope 3 categories are not relevant for emission accounting purposes, as those categories cannot be assigned to any of the WashTec Group's business activities. This relates to the following categories:

- 3.3 Fuel- and energy-related activities
- 3.8 Upstream leased assets
- 3.10 Processing of sold products
- 3.13 Downstream leased assets
- 3.14 Franchises
- 3.15 Investments.

Categories 3.4 “Upstream transportation and distribution” and 3.9 “Downstream transportation and distribution” were not covered separately for the following reasons:

- For category 3.4 “Upstream transportation and distribution”, WashTec assumes that delivery – i.e., upstream transportation and distribution – is already included in the product carbon footprint of the purchased goods. Freight forwarding services are additionally covered by category 3.1 “Purchased goods and services”. Possible overlaps in CO_2e emissions are deliberately disregarded as any such overlaps are considered to be non-material overall.
- 3.9 “Downstream transportation and distribution”
  The majority of transportation and distribution of WashTec products is comes under category 3.1 “Purchased goods and services”. As self-collection by customers accounts for a minor proportion and is not included, category 3.9 “Downstream transportation and distribution” is considered to be non-material.

The calculation for the individual categories considered material by WashTec, based on the requirements of the GHG Protocol, is described in the following. Further information on the databases used can be found in the Annex.

3.1 Purchased goods and services
Emissions in the "Purchased goods and services" category were calculated using the Data.gov database. GHG emissions in this category were calculated on the basis of the Group-wide procurement volume for each product group. They were calculated in detail for around 80% of the procurement volume on the basis of material group totals. For the remaining 20%, they were extrapolated.

3.2 Capital goods
All capital goods are divided into representative groups that combine various capital expenditure and are analyzed together. The CO_2 equivalents are then calculated using figures from the Data.gov database.

3.5 Waste generated in operations
Waste quantities are calculated by weight or (in wastewater management) volume using CO_2 equivalents from the DEFRA database listed on the GHG protocol website.

3.6 Business travel
CO_2e emissions from travel activity are mainly determined on the basis of analyses provided by travel agencies. Where these are not available, they are calculated from travel costs or a combination of means of transportation and distance traveled. The Probas, Data.gov and DEFRA databases are used for conversion into CO_2 equivalents.

3.7 Employee commuting
The calculation of emissions in this category takes into account data protection-compliant employee place of residence information. These is as the basis for defining distance categories and assigning typical means of transportation. The Probas databases is used for conversion into CO_2 equivalents.

3.11 Use of sold products
The calculation of emissions is based primarily on the installed base – the total number of WashTec vehicle wash systems in operation. For each product family, a "reference gantry carwash" with a typical configuration is defined. The energy consumption of this reference system is either determined using measured data or theoretically calculated based on the installed electrically powered equipment. Because the majority of equipment is digitally connected, WashTec has precise data on the average annual number of vehicle washes per system.

The total annual energy consumption of the installed base calculated in this way is converted on the basis of continent-specific CO_2 equivalents.

3.12 End-of-life treatment of sold products
Within this category, calculation is based on a "reference gantry carwash" for which weight-based waste fractions are available from a recycling protocol. A total figure is determined from sales volumes for 2024, the reference gantry carwash and CO_2e figures from the Probas database.

For washing chemicals, a total wastewater figure for 2024 is calculated based on sales volumes, the quantity used per wash and the fresh water consumption per wash. The CO_2e weighting for this part of the category is then calculated using a volume-based CO_2 equivalent figure. The CO_2 equivalent figures were taken from the Probas database.

9.2.3 Disclosures on pollution

9.2.3.1 Impact, risk and opportunity management in relation to pollution

9.2.3.1.1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

The process to identify and assess material impacts, risks and opportunities is described in general terms, together with the methodologies, assumptions and tools used, in section 9.1.4.1.

As part of this process, the WashTec production sites were screened, and in particular the AUWA Chemie GmbH plant in Grebenau. Likewise, (potential) impacts, risks and opportunities were assessed in relation to pollution matters.

As described in section 9.1.4.1, account was taken of the Company's own activities as well as the upstream and downstream value chain.

No consultations were held with affected communities.

Overall, WashTec has identified one material impact related to pollution of water. This material impact related to pollution of water, together with its location in the business model and value chain, is shown in the table below.

Sustainability matter	Material IRO	Description of the IRO and impacts on people and the environment	Location in the business model	Location in the value chain
Pollution of water	Negative actual impact of wastewater after car washing	Washing chemicals are an essential part of the vehicle cleaning process. After car washing, the washing chemicals are discharged into the sewage system together with the process water and thus pollute the wastewater.	Sales market and customer groups for washing chemicals (Europe-wide)	Downstream value chain

The above-mentioned material impact is expected over a short-, medium- and long-term time horizon. There is currently no measurable financial effect.

9.2.3.1.2 Policies related to pollution

WashTec has been working to improve the environmental compatibility of AUWA washing chemicals for many years.

In 2021, it launched the proprietary AUWA Green Car Care product range. With the AUWA Green Car Care product range, WashTec offers customers a solution for using more environmentally compatible washing chemical products.

The AUWA Green Car Care product group is subject to a specially developed criteria catalog for sustainable washing chemicals, as there are currently no generally applicable standards in the industry. Adherence to these criteria is ensured by systematic formulation and production control and is monitored and documented by an independent testing organization, SGS Institut Fresenius. The criteria are listed in detail in the next section.

In this product range, WashTec combines sustainability-related optimizations along the entire value chain for its washing chemicals. This ranges from procurement of the raw materials to production, use and recycling. The most relevant factors in terms of water pollution are the selection of raw materials and the quantity of detergent used per wash. WashTec follows the maxim of "as little as possible, but as much as necessary".

As AUWA products are mostly sold in Europe, the main impact of the AUWA Green Car Care policy is on the downstream value chain in Europe.

The policy is implemented by the management of AUWA.

9.2.3.1.3 Actions and resources in relation to pollution

WashTec is constantly developing new products that meet the AUWA Green Car Care criteria. Existing products are adapted to meet the criteria for AUWA Green Car Care. With very few exceptions, newly developed AUWA products meet the AUWA Green Car Care criteria.

A key factor here is the selection of raw materials. In the AUWA Green Car Care product range, for example, WashTec uses plant-based detergents. The products are phosphate-free, petroleum-free, sulfide-free and free of ethylenediaminetetraacetic acid (EDTA), nitrilotriacetic acid (NTA), nonylphenol ethoxylates (NPEs), heavy metals, added microplastics, per- and polyfluoroalkyl substances (PFASs) and added colorants.

AUWA Green Car Care products and their packaging are also free from phthalates.

These actions facilitate the degradability of the chemical products in process water. Focusing on the necessary minimum in formulation also helps minimize water pollution. For the various vehicle surface cleaning and care applications, individual ingredients are selected according to function. The aim is wherever possible to use one single key ingredient per function.

Providing chemical products in highly concentrated form further improves their sustainability. This is not only a matter of increasing the concentration. Instead, it involves a fully thought-out formula. For example, synergies are exploited by judiciously selecting and combining ingredients. This makes for more economical chemical use for the same or better performance.

The majority of the product range sold in the Scandinavian countries is also certified with the Nordic Swan Ecolabel.

WashTec integrates the AUWA Green Car Care products into its sales activities by regularly training sales staff and providing operators with information on the criteria, the differences and the advantages over conventional washing chemicals.

The activities referred to here relate to both the upstream and the downstream value chain. WashTec does not require any significant CapEx or OpEx to implement the various actions.

9.2.3.2 Metrics and targets related to pollution

The AUWA Green Car Care range further reduces water pollution in the downstream value chain.

WashTec plans to introduce measurable water pollution-related targets from fiscal year 2025. Measures for WashTec to track the effectiveness of the AUWA Green Car Care approach and the related actions include continuous internal and external monitoring of formulations by “Recipe & Production Control”.

The outcome of the process to identify and assess material pollution-related impacts, risks and opportunities was that WashTec does not have any material pollution-related impacts, risks and opportunities in its own operations. WashTec makes use of the option under ESRS 1 paragraph 34 (b) and omits the disclosure of pollutants listed in Annex II of Regulation (EC) No 166/2006 due to non-materiality.

9.2.4 Disclosures on water resources

9.2.4.1 Impact, risk and opportunity management in relation to water resources

9.2.4.1.1 Description of the processes to identify and assess material impacts, risks and opportunities related to water resources

The process to identify and assess material impacts, risks and opportunities is described in general terms, together with the methodologies, assumptions and tools used, in section 9.1.4.1.

As part of this process, the WashTec production sites were screened, and in particular the AUWA Chemie GmbH plant in Grebenau.

As described in section 9.1.4.1, account was taken of the Company's own activities as well as the upstream and downstream value chain.

No consultations were held with affected communities.

A total of two water resources-related impacts, risks and opportunities were identified as material. The material water resources-related impacts, risks and opportunities and their location in the business model and value chain are shown in the table below.

Sustainability matter	Material IRO	Description of the IRO and impacts on people and the environment	Location in the business model	Location in the value chain
Water consumption	Negative actual impacts of water consumption	Water consumption in the operation of the customers' equipment exacerbates water shortages.	Sales markets worldwide, particularly in water-stressed areas	Downstream value chain
Water scarcity	Risk of restrictions or bans on the use of water	Risk that customers may no longer be able to operate their equipment due to temporary or permanent restrictions or bans on the use of water	Sales of equipment, service and washing chemicals; research and development	Downstream value chain

The topics of water consumption and water scarcity are of particular relevance to the strategy and business model.

The impacts of water consumption in the downstream value chain are directly connected to WashTec's business model. They are expected over a short-, medium- and long-term time horizon.

Prolonged droughts, more irregular rainfall and overexploitation of water resources lead to water shortages. In the event of temporary or permanent water shortages, regulators frequently impose restrictions or bans on the use of water for certain purposes. Recent years have seen temporary restrictions or bans on carwashes in some regions. This includes measures such as restricting the use of carwash equipment or banning carwashing. This represents a short-, medium- and long-term financial risk to WashTec. For WashTec as a wash equipment manufacturer, temporary bans on car washing lead to reductions in carwash volumes, chemical consumption, chemical revenue and service revenue. They can also negatively affect purchase decisions for new or replacement equipment.

Water is particularly important for the downstream value chain in the following geographical regions:

- Spain: Provinces of Alicante, Murcia, Almeria, Jaen and Albacete
- Italy: Province of Sicily
- France: Administrative region of Occitania
- USA: State of California

WashTec also expects the risk of water scarcity to have short-term financial effects for the WashTec Group. However, there is a lack of data to measure these financial effects. For example, carwash operators are not under obligation to report to the WashTec Group regarding the reasons for halting operations – such as due to water-related restrictions.

9.2.4.1.2 Policies related to water resources

To reduce water consumption in the downstream value chain, WashTec has implemented a sustainable design guideline. Technical innovations in line with this guideline are promoted in the development process. One dimension in this regard is minimizing water consumption per wash on equipment in operation on customer premises.

Responsibility for implementing the guideline lies with the Management Board together with the Head of Research and Development.

WashTec is already responding to the risk of water scarcity and the negative impacts of water consumption by offering its customers water recycling systems that can reduce fresh water consumption by a large proportion. On average, a gantry carwash without a water recycling system requires approximately 120-170 liters of water (fresh and process water) per wash. A WashTec gantry carwash with a water recycling system uses only about 20% as much water as manual washing. WashTec sells water recycling systems as an optional extra feature on automated vehicle washing systems. They can also be retrofitted. In the water recycling system, used water from the carwash is collected in a settling pit or sludge trap. Suspended solid particles separate out by sedimentation and settle as sludge. The remaining water is then fed via a pump pit and filtration system to a storage tank for recirculation. This recirculated water can then be reused in the carwash.

WashTec continually verifies that the water recovery systems meet current environmental standards and customer requirements.

Water consumption in the Company's own operations plays a minor role relative to water consumption for car washing. WashTec therefore does not see any material impacts, risks and opportunities in this regard.

9.2.4.1.3 Actions and resources in relation to water resources

Contributing to the resource-efficient use of water is essential to WashTec. WashTec implemented the following actions to promote water efficiency in fiscal year 2024:

More staff have been deployed in activities related to water recycling systems in order to step up sustainability and resource efficiency efforts on the products side in the years ahead.

WashTec helps customers obtain transparency about their water consumption, for example by factory-fitting water meters and providing the ability to display fresh and service water usage on the WashTec digital platform.

[1] These are average figures that can vary from customer to customer. The precise amount of water needed for a gantry carwash significantly depends on factors such as program selection, fitted equipment, on-site temperature, seasonal vehicle soiling, vehicle size and legal requirements. A conveyor tunnel carwash has significantly higher water consumption than a gantry carwash. Consumption in conveyor tunnel carwashes is significantly more dependent on the factors just mentioned and is therefore not shown separately.

[2] All consumption figures cited in product descriptions are examples. The many possible system permutations and differences in user choices make it impossible to state standardized consumption data.

WashTec is intensifying worldwide sales activities for water recycling systems.

The decision as to whether, and to what extent, a water recycling system is used with wash equipment is up to the equipment operator. It is not made on the basis of sustainability considerations alone, but by weighing a large number of different factors. WashTec can therefore only indirectly influence the number of water recycling systems installed with its carwashes.

No material financial resources are needed to implement the actions described in this section.

9.2.4.2 Metrics and targets related to water resources

The use of water recycling systems on customer equipment is essential in order to significantly reduce water consumption in the downstream value chain and the risk of restrictions on carwash operation.

The following ratio represents WashTec's influence on professional automated vehicle washing in terms of the recycling of service water for car washing as a whole:

$$\frac{\text{number of WashTec water recycling systems installed worldwide/}}{\text{number of WashTec vehicle washes installed worldwide}}$$

("WashTec water recycling ratio")

WashTec tracks performance on the WashTec water recycling ratio at regular intervals in its internal reporting.

As of the December 31, 2024 reporting date, the WashTec water recycling ratio was 22%.

The number of installed WashTec vehicle washes includes gantry carwashes, truck and bus washes and conveyor tunnel carwashes.

The aim is to continuously increase the WashTec water recycling ratio worldwide.

This is a voluntary target set by the WashTec Group's Management Board. The target also relates to areas at water risk and water stressed areas.

WashTec tracks the effectiveness of its policies and actions by regularly monitoring the WashTec water recycling ratio. This makes it possible to measure progress from fiscal year 2024.

The WashTec water recycling ratio has not been externally validated.

The outcome of the process to identify and assess material impacts, risks and opportunities related to water resources was that WashTec does not have any material impacts, risks and opportunities related to water resources in its own operations. WashTec makes use of the option under ESRS 1 paragraph 34 (b) and omits the disclosure of water consumption in its own operations due to non-materiality.

9.3 Social information

9.3 Social information

With regard to social information, WashTec identified only ESRS S1 as material in the course of the materiality assessment. The social information therefore only relates to the Company's own workforce.

According to ESRS standards, the term "own workforce" includes employees and non-employees. Non-employees are in turn subdivided into self-employed people and temporary employees.

In the non-financial statement, WashTec defines the term "employees" as people who are in an employment relationship with WashTec. This also includes the management of WashTec AG's subsidiaries as well as apprentices and interns. Non-employees such as temporary workers and self-employed people are not included under the term "employees".

9.3.1 Strategy related to own workforce

The assessment identified 11 impacts, risks and opportunities in relation to the workforce. These are shown in the table below together with their location in the business model and value chain.

9.3.1.1 Interests and views of stakeholders

Section 9.1.3.2 describes how the views of stakeholders inform WashTec's business model and strategy. This also includes disclosures on WashTec employees, who comprise an important group of stakeholders.

9.3.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model

WashTec has identified a total of 11 impacts, risks and opportunities as material in relation to its own workforce. The material impacts, risks and opportunities in relation to Company's own workforce and their location in the business model and value chain are shown in the table below.

Sustainability matter	Material IRO	Description of the IRO and impacts on people and the environment	Location in the business model	Types of workers affected
Working conditions – social dialogue	Risk due to inadequate social dialogue	Inadequate engagement and dialogue with employees can lead to low employee satisfaction and reputational damage. This is associated with additional effort and expense in retaining and recruiting employees	Personnel management worldwide	Employees
Working conditions – freedom of association, the existence of works councils and the information, consultation and participation rights of workers	Risk due to inadequate codetermination and freedom of association	Inadequate codetermination or lack of freedom of association for employees can lead to low employee satisfaction and reputational damage. This is associated with additional effort and expense in retaining and recruiting employees	Personnel management worldwide	Employees
Working conditions – shortage of skilled workers	Risk due to shortage of skilled workers	The ongoing shortage of skilled workers, which also affects WashTec Group's business activities, results in higher employee recruitment and retention costs	Personnel management worldwide	Employees

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Sustainability matter	**Material IRO**	**Description of the IRO and impacts on people and the environment**	**Location in the business model**	**Types of workers affected**
Working conditions – employee satisfaction	Opportunity due to employee satisfaction	High employee satisfaction leads to the retention or recruitment of new talent	Personnel management worldwide	Employees
Working conditions – collective bargaining agreements	Risk due to inadequate collective bargaining coverage	Inadequate or lacking collective bargaining coverage can lead to low employee satisfaction and reputational damage. This is associated with additional effort and expense in retaining and recruiting employees	Personnel management worldwide	Employees
Working conditions – work-life balance	Positive actual impacts on work-life balance	Provision such as special leave entitlements, sick pay and mobile working contribute to better work-life balance	Personnel management worldwide	Employees
Working conditions – health and safety	Negative (potential) impacts of work-related accidents	WashTec exposes employees to hazards on construction sites and in production. This can lead to work-related accidents (individual incidents)	Occupational health and safety worldwide	Employees, self-employed people and temporary workers
Working conditions – health and safety	Risk due to work-related accidents	Reputational damage due work-related accidents	Occupational health and safety worldwide	Mitarbeitende
Equal treatment and equal opportunities – gender equality and equal pay for work of equal value	Risk due to inadequate gender equality, including with regard to pay	Unequal pay for work of equal value can lead to low employee satis-faction and reputational damage. This is associated with additional effort and expense, above all in retaining and recruiting employees	Personnel management worldwide	Employees
Equal treatment and equal opportunities – employment and inclusion of people with disabilities	Risk due to inadequate inclusion	Failure to effectively manage inclusion can lead to low employee satis-faction and reputational damage. This is associated with additional effort and expense, above all in retaining and recruiting employees	Personnel management worldwide	Employees
Equal treatment and equal opportunities – diversity	Risk due to inadequate consideration of diversity in the business organization	Failure to effectively manage diversity can lead to reputational damage. This is associated with additional effort and expense, above all in retaining and recruiting employees	Personnel management worldwide	Employees

WashTec considers the areas of health and safety, gender equality and diversity to be of key importance to its strategy and business.

In terms of health and safety, WashTec may have a potential negative impact on employees due to work-related accidents causing illness or physical injury. Work-related accidents also represent a risk of reputational damage, combined with a financial risk for WashTec. Many WashTec customers require the companies they work with to have an effective quality, health, safety and environment (QHSE) management system. WashTec therefore has a dedicated organizational unit for this purpose, which is responsible for an effective QHSE management system. Employees working for this organizational unit help to ensure workplace safety worldwide. Regular audits and certifications are used to monitor the effectiveness of workplace safety for all employees. From the Company's perspective, workplace safety is directly linked to the business model and serves as the basis for employment. The negative impacts and risks related to health and safety are therefore to the business model in the short, medium and long term.

Lack of equal treatment poses the risk of low employee satisfaction and reputational risk. This could result in additional expenses for retaining existing employees or attracting new talent. WashTec therefore enables all genders to assume leadership and project responsibilities equally.

Equal treatment is a high priority at WashTec and is highly relevant to the strategy. In particular, the Management Board of WashTec AG has set itself the goal of further promoting the percentage of women in leadership positions within the WashTec Group. To this end, it has set a voluntary target of 18% for the percentage of female managers, to be achieved by June 30, 2027. This also corresponds to the percentage of female employees. WashTec is therefore committed to full equality, irrespective of gender.

With regard to diversity, WashTec would face a risk of low employee satisfaction and reputational risk if it failed to have adequate strategies and measures in place to avoid and prevent discrimination and promote equal opportunities. This could result in additional expenses for retaining existing employees or attracting new talent. Diversity and equal opportunities are high priorities at WashTec and are highly relevant under the WashTec strategy and business model. WashTec has signed the Diversity Charter.

The WashTec business model is subject to the conditions arising from the above-mentioned strategically and commercially relevant impacts, risks and opportunities. However, WashTec does not consider the impacts, risks and opportunities to be so material that they could have a radically negative impact on the WashTec business model. One reason is that WashTec has already taken action to avoid negative impacts and minimize risks. Secondly, WashTec has an effective risk management system that enables it to identify, assess and monitor its own opportunities and risks. No financial effects are currently measurable in connection with the risks presented here.

WashTec has developed an understanding of how people with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm. This applies, for example, to people in the areas of production and service, who may be more affected by negative impacts related to occupational health and safety.

9.3.2 Management of own workforce-related impacts, risks and opportunities

9.3.2.1 Policies related to own workforce

WashTec fosters a global organizational culture that is characterized by mutual respect and appreciation. The Company creates the conditions for all employees to recognize, share and live these values. They are enshrined in the WashTec Code of Conduct and the WashTec corporate philosophy. In this way, WashTec addresses at an overarching level the impacts, risks and opportunities related to Company employees and non-employees.

WashTec additionally has the following policies in relation to specific working conditions and in relation to equal opportunities and equal rights:

9.3.2.1.1 Diversity and inclusion

The importance of diversity and inclusion is embedded in WashTec's corporate values and the WashTec Code of Conduct. WashTec is also a signatory to the Diversity Charter, an initiative to promote diversity in companies and institutions. Accordingly, WashTec is committed to a respectful working environment free of discrimination, in which people are respected regardless of age, ethnic origin, nationality, gender, gender identity, physical and mental abilities, religion, ideology, sexual orientation and social background. The WashTec Group standard on respectful conduct towards co-workers affirms the commitment to respect, mutual support, fair play, loyalty and honesty in dealings with one another. This does not explicitly cover the characteristics of skin color and political opinion required by ESRS S1 paragraph 24b. "Political opinion" is subsumed under the term "ideology" as used by WashTec. WashTec describes its commitments with regard to inclusion in section 9.3.2.4. In addition to employees, WashTec's policy in relation to diversity and inclusion includes temporary workers.

9.3.2.1.2 Health and safety

Occupational health and safety is a top priority for WashTec. WashTec expressly aims to continuously develop its own procedures, processes and strategies to ensure the highest standards of occupational safety at all WashTec sites and in the field at all times. To this end, WashTec has implemented a QHSE management system. The requirements under this system describe the tasks, organization and responsibilities relating to occupational health and safety and occupational medicine within the WashTec Group. These have the purpose of ensuring uniform safety standards for all employees and legal certainty for management. All employees have an active role in participating in and developing occupational health and safety management. Each country organization in the WashTec Group appoints officers who are responsible for implementing and maintaining occupational health and safety requirements at local level, taking into account national requirements. This systematic approach means that 100% of employees and temporary workers are covered by the QHSE management system on the basis of legal requirements and/or recognized standards or guidelines.

9.3.2.1.3 Human rights policy

For the WashTec Group, respect for human rights is a fundamental element of responsible corporate governance that is enshrined in the WashTec Code of Conduct. WashTec not only aims to ensure respect of human rights in all companies of the WashTec Group, but also requires it from WashTec business partners. WashTec regards respect for human rights as the basis for good working conditions as well as equal opportunities and equal treatment.

WashTec explains key points of its human rights policy in the WashTec Group Policy Statement on Social Responsibility and Human Rights adopted in fiscal year 2023. Among other things, this sets out how business conduct and the human rights strategy are aligned and consistent with various frameworks. These include the "UN Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework", the ten principles of the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, and the ILO core labor standards. WashTec's approach is not only to comply with legal requirements, but also to make a positive contribution to the promotion of decent work and respectful working relationships.

The above-mentioned internationally applicable standards and policies embed human rights within the WashTec Group and reflect a strong commitment to social responsibility. They are reviewed by Human Resources at head office and the Human Rights Committee and adjusted if necessary. WashTec also engages with employee representatives in this process in order to identify any challenges at an early stage and make improvements.

The WashTec Supplier Code of Conduct governs the safety of workers, precarious employment relationships, human trafficking, forced labor and child labor. These provisions are in line with ILO standards

Human rights due diligence obligations can only be successfully met if there is a mechanism for addressing grievances. An appropriate and effective grievance procedure thus is a fundamental part of WashTec's human rights strategy and is provided in the form of the WashTec whistleblower system.

In this connection, the Grievance and Reporting Procedure ensures proper investigation of any information received about human rights or environmental risks or violations. This procedure is standardized for the entire WashTec Group.

Group-wide policies adopted to manage material sustainability matters can be found in section 9.1.4.2. These affect all material impacts, risks and opportunities described in section 9.3.1.2.

The table below shows important policies and approaches for dealing with material impacts, risks and opportunities in relation to WashTec employees and non-employees.

Policy	General objectives	IROs covered	Core content	Scope	Level accountable
HSE Safety Rules	Top priority commitment to occupational safety at WashTec	Occupational health and safety	▪ Occupational safety ▪ Hazardous situations ▪ Accident prevention	▪ Group-wide ▪ Employees and non-employees	▪ Management Board ▪ HSE department
Group standard on respectful conduct towards co-workers	Commitment to respect, mutual support, fair play, loyalty and honesty as key basic principles	All IROs relating to working conditions and equal opportunities	▪ Respectful interaction ▪ Individual appreciation ▪ Fair play ▪ Open interaction ▪ Professionalism ▪ Help and support ▪ Misconduct	▪ Group-wide ▪ Employees and non-employees	▪ Management Board ▪ Human Resources
General workplace agreement on the establishment of a complaints body	Establishment of a complaints body	All IROs relating to working conditions and equal opportunities	▪ Complaints body ▪ Right of complaint ▪ Responsibilities of the complaints body under Section 13 on the German General Act on Equal Treatment ▪ Handling of complaints ▪ Duty to inform	▪ German WashTec Group companies ▪ Employees and non-employees	▪ Management Board ▪ Human Resources ▪ Works Council

The policies described in this section are regularly revised under the compliance management system.

9.3.2.2 Processes for engaging with own workforce and workers' representatives about impacts

Throughout the Group, WashTec sees itself as an attractive employer, in that employees feel included and represented. WashTec ensures this by means of active and transparent dialog with WashTec employees and temporary workers.

To this end, WashTec supports a value-driven management approach, on the basis of which WashTec lives its corporate culture through respectful interaction on equal terms. Based on WashTec's open hierarchy policy, regular forums are held in which all employees can exchange ideas both formally and informally. Regular employee reviews promoting constructive dialogue are one organizationally established tool in this regard.

Another factor of essential importance to the WashTec corporate culture is good communication. This is ensured in various ways, including through announcements, newsletters, information emails, surveys, regular meetings of specific stakeholder groups, and in-house publications. A further communication channel is the WashTec intranet, which is accessible to employees throughout the Group. Departments, committees and employees use it to share and obtain important information.

An additional aspect of workforce engagement is engagement with employee representatives. Regular company meetings are thus held at which both the most senior employee representatives (works council chairpersons) and the most senior employer representatives (members of the Management Board or company management teams) provide information and exchange views on current activities. These are supplemented with regular coordination and dialogue meetings between employee and employer representatives. In this context, employee representatives reflect employee needs and ensure that those needs inform decision making processes.

Matters of relevance to the workforce are stipulated on, among other things, in country- or company-specific workplace agreements.

At sites without employee representatives, local management keeps employees informed about current developments. Dialogue with employees also ensures that their needs are seen and met.

In this way, WashTec ensures that it understands and addresses the needs and concerns of its employees. This not only creates a respectful and positive working environment, but also fosters employee satisfaction throughout the Group.

Responsibility for employee engagement lies with local HR departments or HR officers.

In Germany, employee representatives are part of the Environment and Energy Team and are thus involved in decisions regarding carbon emissions and the transition to environmentally friendly and climate-neutral activities.

The policy statement adopted by WashTec in relation to human rights is described in section 9.4.2.1.

9.3.2.3 Processes to remediate negative impacts and channels for the own workforce to raise concerns

The main channel through which WashTec employees can raise concerns is the Group-wide whistleblower system. Further information (including on remedial measures) can be found in section 9.4.3.

In addition, a Diversity Team has been set up in Germany with ambassadors and diversity officers to act as a point of contact on diversity matters for WashTec employees. A complaints body has also been set up for Germany pursuant to Section 13 of the German General Act on Equal Treatment.

Furthermore, WashTec has a separate Group-wide reporting channel for concerns regarding workplace safety.

As a matter of principle, WashTec values open communication. The points of contact for various employee matters are clearly communicated and documented, both on the intranet and in some cases also externally. These can be contacted in confidence in the event of concerns. Questions and concerns can be raised in regular meetings between corporate Human Resources and local managements throughout the Group.

WashTec's complaint channels are looked after by specialists at WashTec. As a matter of policy, cases are processed in accordance with the dual control principle. WashTec therefore considers these complaint channels to be effective.

9.3.2.4 Action taken in relation to own workforce

All action described in this section is ongoing. WashTec intends to continue it in the future.

Collective bargaining coverage and social dialogue

Collective agreements can help ensure both adequate working conditions and adequate pay. Through them, the Company is perceived as an attractive employer and makes a decisive contribution to corporate social responsibility, which in turn has a positive effect on attracting prospective candidates.

WashTec considers partnership-based working relationships with employee representatives, where present, as a complementary element that can contribute to employee satisfaction and thus to the Company's long-term success. Dialogue with employee representatives in a spirit of trust can facilitate active consideration of the perspectives and concerns of all employees and ensure that they are duly taken into account in the decision-making process.

Diversity

WashTec is committed to diversity at the local level and organizes various events and activities to this end. In Germany, for example, lectures and seminars on diversity topics are offered annually. Diversity is also promoted and communicated on the WashTec intranet and by employees and managers leading by example. In Germany, for instance, there is a locally organized diversity team, in which employees contribute to diversity topics that vary from year to year.

WashTec embraces diversity of individual talents and skills. Targeted external recruitment campaigns add to the range of skills in the workforce. Internal HR processes are geared towards promoting and developing this diversity throughout the entire employment cycle.

Social protection

Social protection of WashTec employees is a matter of significant concern for the Company. Throughout the Group, WashTec thus adheres to all country-specific legal requirements with regard to illness, unemployment, work-related accidents and invalidity, parental leave and retirement. Furthermore, WashTec provides a range of individual voluntary benefits in some cases, including extended sick pay for employees in Germany not covered by collective agreements and contributions to a private pension plan for employees in the United States.

Inclusion

By means of individual measures, WashTec actively supports people with physical and mental disabilities. WashTec identifies people's individual inclusion needs and adapts the working environment and workplace accordingly, always keeping in mind the overall context in terms of workforce diversity. WashTec also provides professional awareness training for managers and employees in order to ensure a balance between an inclusive working environment and operational requirements. Where applicable, local disability officers and integration bodies also provide support in this regard.

Health and safety

A wide range of mandatory internal and external requirements apply in order to ensure compliance with occupational safety principles. This includes the definition of clear roles and responsibilities. To ensure compliance with occupational health and safety requirements, WashTec regularly trains its employees using a proprietary digital learning platform.

Outside contractors are not engaged by WashTec unless they meet the same occupational health and safety standards as WashTec itself. All work tasks are subject to risk assessments and task instructions that are known to employees. For high-risk tasks, requirements are specially adapted and employees are provided with training. An accident management system has been put in place, with responsible parties and instructions for action in the event of an incident. Regular workplace inspections are carried out to verify the effectiveness of and compliance with occupational safety requirements. Inspection criteria are specially adapted to each task area and set out in a digital checklist. All employees are provided with suitable protective equipment, which they must use when carrying out their work. Suggestions for improving occupational safety can also be made at any time.

Another important element of WashTec's activities for achieving high standards of occupational safety is the conduct of annual internal and external occupational safety audits. All European sales and service companies are certified in accordance with the Safety Certificate Contractors (SCC) standard.

Work-life balance

Mobile working and flexible working time models are available throughout WashTec, in accordance with operational requirements. WashTec also makes additional provision at local level to improve work-life balance. At German WashTec Group companies, this includes special leave, age-related working time models, support in the event of illness, and seminars on burnout prevention and stress management.

Gender equality

In order to ensure gender equality, gender-specific pay levels are reviewed in regular HR processes. Adequate wages are ensured from the outset in the recruitment process, among other things with reference to job descriptions and pay group classification guidelines. Local HR departments work together here with management and, where applicable, employee representatives.

Employee satisfaction and shortage of skilled workers

WashTec uses a multi-stage approach to address the shortage of skilled workers and employee retention. An appreciative culture that encourages and rewards performance lays the foundation for long-term talent retention.

Moreover, WashTec ensures the transfer of knowledge and the organic development of its own specialists, particularly in technical professions, through tailored training and retraining programs as part of WashTec's human resources development management. WashTec also addresses the labor market situation by targeted positioning of the WashTec employer brand, among other channels through the international career platform, the WashTec careers website, and presentation at relevant fairs.

Furthermore, WashTec invests in a vibrant corporate culture in the interests of employee satisfaction. This includes individual training and development programs and a variety of team events promoting interdisciplinary and intercultural exchange.

The effectiveness of the action described in this section is measured in various ways. To actively elicit and assess feedback, for example, managers and local HR departments and officers thus maintain regular dialogue with employees on equal terms. At the same time, the staff of HR departments attend continuous professional development and adapt HR processes to current requirements.

Through open communication and established feedback processes, WashTec ensures that the actions described do not have a material negative impact on employees and temporary workers.

The actions listed in this section have not yet been integrated into our existing risk management process.

9.3.3 Metrics and targets related to own workforce

WashTec records employee numbers on a headcount basis.

Generally speaking, data for employee-related disclosures under this topical standard was collected quarterly and the mean calculated for 2024. One exception is the percentage of female managers. As the management levels were redefined during the year, this disclosure is provided as of the reporting date.

The metrics in this section have not been externally validated.

9.3.3.1 Targets related to own workforce

In the area of occupational health and safety, WashTec aims through preventive action to protect all Company employees from hazardous situations, accidents, work-related health hazards and occupational diseases. The overriding goal is to avoid causing any work-related accidents. Unfortunately, however, experience shows that work-related accidents are not wholly preventable. WashTec therefore aims Group-wide for fewer work-related accidents than the industry average. The industry average that WashTec uses as a benchmark for this purpose is the average for Germany published by Berufsgenossenschaft Holz und Metall, the employers' liability insurance association for the German woodworking and metalworking industry. WashTec also targets a 95% training rate for WashTec occupational safety training.

WashTec's diversity target is to increase the percentage of women in management positions to 18% by June 2027. This applies to individuals who are one to two levels in the reporting line below the Management Board of WashTec AG. WashTec also seeks to address the issue of the percentage of women in the workforce in other areas. WashTec uses a multi-stage approach to address the shortage of skilled workers and employee retention. An appreciative culture that encourages and rewards performance lays the foundation for long-term talent retention.

The targets described here have been set by the Management Board of WashTec AG. The Management Board of WashTec AG and the management teams of the subsidiaries maintain regular dialogue with employees and employee representatives to discuss scope for improvement in this regard.

WashTec is of the opinion that the effectiveness of other policies cannot be meaningfully measured using metrics.

9.3.3.2 Characteristics of WashTec employees

WashTec employed an average of 1,715 people in fiscal year 2024. The table below shows the breakdown of employees by country.

Country	Average number of employees in fiscal year 2024
Germany	923
USA and Canada	246
France	165
Czech Republic	68
United Kingdom	51
Netherlands	46
Denmark	41
Australia	41
Spain	36
Austria	32
Norway	30
Italy	24
New Zealand	6
Poland	6
Gesamt	**1,715**

The sites with the highest number of employees are those with attached production facilities in Germany, the Czech Republic and the USA. In France, the high number of employees is explained by the large number of service staff employed there.

The table below provides a further breakdown of individual characteristics of WashTec employees:

Average number in fiscal year 2024

	Female	Male	Total
Number of employees	302	1,413	1.715
Number of employees with permanent contracts	277	1,310	1.587
Number of employees with temporary contracts	25	103	128
Number of non-guaranteed hours employees*	55	308	363
Number of full-time employees	242	1,368	1.610
Number of part-time employees	60	45	105

* Non-guaranteed hours employees are employees without a guarantee of a minimum number of working hours

WashTec distinguishes between the genders male and female. The WashTec personnel management system allows data on WashTec employees to be broken down into “male”, “female” and “other”. There are currently no employees listed in the “other” or “not disclosed” category.

Due to the high proportion of production and service in the WashTec business, the percentage of men in the workforce is 82% in fiscal year 2024. The availability of qualified female and other skilled workers is limited in the industry. Nevertheless, WashTec explicitly recognizes the importance of diversity and is working on strategies to create a diverse working environment.

The table below provides data on the number of temporary agency employees at WashTec.

Gender	Number of temporary agency employees
Male	82
Female	17
Total	**99**

A total of 168 employees left the WashTec Group in fiscal year 2024. Throughout WashTec, the turnover rate was 12% in 2024. This includes the number of employees who leave voluntarily or due to dismissal, retirement, or death in service.

The average number of employees can also be found in the notes to the consolidated financial statements on page 185.

9.3.3.3 Collective bargaining coverage and social dialogue

In 2024, 63% of employees across the Group were covered by collective agreements. The global percentage of employees covered by workers' representatives was 83% in 2024. The table below show as country-specific breakdown:

	Collective bargaining coverage		Social dialogue
Coverage Rate	Percentage of employees covered by a collective agreement (EEA)	Percentage of employees covered by a collective agreement (non-EEA)	Percentage of employees covered by workers' representatives (EEA only)
0–19 %	Czech Republic, Poland	USA, Canada, UK, Australia, New Zealand	Czech Republic, Italy, Netherlands, Poland, Spain
20–39 %	–	–	–
40–59 %	Denmark, Norway	–	Norway, Denmark
60–79 %	–	–	–
80–100 %	Austria, Italy, Netherlands, Spain, Germany, France	–	Austria, France, Germany

The table below shows the number of collective agreements in force in each EEA country:

Country	Number of collective agreements in force in each country	Country	Number of collective agreements in force in each country
Netherlands	1	Germany	3
Poland	0	France	9
Czech Republic	0	Austria	2
Norway	1	Italy	1
Denmark	1	Spain	2

At WashTec sites not covered by collective agreements, the terms of local collective agreements – where appopriate – are used as a general benchmark in order to provide, to the maximum extent, comparable conditions for people who are not covered by collective agreements.

The determination as to whether employees are covered by collective agreements is made according to local requirements.

The determination as to whether employees are covered by workers representatives is made according to local requirements. These include trade unions and members of such unions nominated or elected according to national law or practice. Worker representatives also include duly elected representatives freely elected by the workers of the organization.

9.3.3.4 Diversity metrics

The gender distribution in number and percentage at top management level is shown in the following table.

	Numbers at top management level by gender	Gender distribution by percentage at top management level
Men at top management level	64	83 %
Women at top management level	13	17 %
Total	**77**	**100 %**

The top management level at WashTec AG includes employees in managerial positions who are hierarchically one to three levels in the reporting line below the Management Board of WashTec AG.

The distribution of all employees by age group is shown below:

Age group	Number of employees
Under 30 years old	190
30–50 years old	832
Over 50 years old	693
Total	**1,715**

WashTec is committed to a respectful working environment free of discrimination. This also includes valuing people irrespective of their nationality.

In total, 36 different nationalities are covered in the Company, clustered by region as follows:

Europe and other	
Afghan	Indian
Australian	Iranian
Bosnian-Herzegovinian	Italian
United Kingdom	Jordanian
Chinese	Croatian
Danish	Moroccan
German	Montenegrin
Finnish	New Zealand
French	Dutch
Greek	Norwegian

Europe and other	
Austrian	Czech
Polish	Tunisian
Portuguese	Turkish
Romanian	Ukrainian
Russian	Hungarian
Swedish	
Serbian	**North America**
Slovakian	United States
Spanish	Canadian

This diversity affirms WashTec's global approach and facilitates diversity-related activities within the Company.

9.3.3.5 Disclosures on persons with disabilities

The percentage of people with disabilities across WashTec is 3%. This figure was calculated on the basis of locally applicable definitions of people with disabilities.

9.3.3.6 Health and safety metrics

All WashTec employees and non-employees are covered by a health and safety management system based on legal requirements and/or recognized standards or guidelines. Around 33% of WashTec employees and 25% of non-employees are covered by a health and safety management system that is SCC-certified.

For the purposes of this report, recordable work-related accidents (including commuting accidents) comprise reported work-related injuries and work-related ill health in accordance with the definition in ESRS S1 AR 83. The reportable work-related accidents (excluding commuting accidents) metric is consistent with the definition in ESRS S1 AR 83 but excludes commuting accidents and work travel accidents. Only work-related accidents and commuting accidents that are reported by employees or non-employees can be included in the report.

No fatalities as a result of work-related injuries or work-related ill health were recorded among WashTec employees or non-employees in fiscal year 2024.

The number of work-related accidents reportable to WashTec (excluding commuting accidents) was 18. Relative to the numbers of hours worked, this results in an accident rate of 6.4 work-related accidents (excluding commuting accidents) per million hours worked.

The number of work-related accidents reportable to WashTec (including commuting accidents) was 28. Relative to the numbers of hours worked, this results in an accident rate of 9.9 work-related accidents (including commuting accidents) per million hours worked.

The number of reportable occupational accidents involving WashTec non-employees was 0. Relative to the numbers of hours worked, this results in an accident rate among non-employees of 0 work-related accidents per million hours worked.

There were no cases of reportable work-related ill health among WashTec employees in fiscal year 2024. This applies subject to legal restrictions on the collection of data.

Among WashTec employees, 304 days were lost in the fiscal year to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health.

The training rate for occupational safety training in fiscal year 2024 was 96%.

9.3.3.7 Remuneration metrics

In order to identify the Company's gender pay gap, the salary data was collected on WashTec employees in each country, broken down into fixed and variable salary components and by gender.

The gender pay gap within the WashTec Group is 5%.

The gross hourly pay level was recorded for each individual employee. The gross hourly pay level is calculated from the gross pay level of an employee per hour, where gross pay includes the components base salary, benefits in cash and benefits in kind. WashTec employees do not receive direct remuneration within the meaning of ESRS S1 AR 101 (b) iv. The gross hourly pay level per employee was adjusted for exchange rates but not for purchasing power differences between countries. The average gross hourly pay level was then calculated on the basis of the median for all male and female employees. Finally, the gender pay gap was calculated using the formula in ESRS S1 AR 98 (b).

The annual total remuneration ratio of the highest paid individual (the Chief Executive Officer of WashTec AG since May 2024) to the median annual total remuneration for all employees (excluding the highest-paid individual) is 10:1.

9.3.3.8 Incidents, complaints and severe human rights impacts

No incidents of discrimination, including harassment, were reported in the reporting period.

As a matter of policy, WashTec records incidents of discrimination, including harassment, reported via the whistleblower system (worldwide), the complaints body (Germany) or the diversity team (Germany). In addition, at the end of the year, all international subsidiaries were asked whether there were any incidents of discrimination or bribery.

A total of two reports were made via the WashTec whistleblower protection system, which WashTec employees can use to raise concerns.

No fines, penalties or compensation for damages were paid as a result of the incidents covered above.

No severe human rights incidents were reported or identified.

9.4 Governance information

9.4 Governance information

9.4.1 Governance in the WashTec Group

With regard to the disclosure requirements related to the role of the administrative, management and supervisory bodies, please refer to section 9.1.2.1.

9.4.2 Impact, risk and opportunity management in relation to business conduct

9.4.2.1 Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct

The process to identify and assess material impacts, risks and opportunities is described in general terms, together with the methodologies, assumptions and tools used, in section 9.1.4.1.

WashTec has identified a total of five impacts, risks and opportunities as material in relation to business conduct. The material impacts, risks and opportunities in relation to business conduct and their location in the business model and value chain are shown in the table below.

Sustainability matter	Material IRO	Description of the IRO and its impacts	Location in the business model	Location in the value chain
Compliance	Risk due to compliance violations	Compliance violations can lead to reputational damage with associated loss of revenue	Compliance management (Group-wide)	Own operations
Compliance	Risk due to compliance violations	Compliance violations can lead to poorer ESG ratings or reduced investor interest	Compliance management (Group-wide)	Own operations
Management of relationships with suppliers	Risk due to supplier failures	Supplier failures can lead to higher production cost and have a negative impact on product availability on the market	Procurement (Group-wide)	Own operations, upstream and downstream value chain
Protection of whistleblowers	Risk due to lack of an effective whistleblower system	Reputational risk with associated loss of revenue if an effective whistle-blower system is not in place	Compliance management (Group-wide)	Own operations, upstream and downstream value chain
Corruption and bribery – incidents	Risk due to incidents of corruption or bribery	Incidents of corruption or bribery can lead to fines or penalties with associated reputational damage and loss of revenue	Compliance management (Group-wide)	Own operations, upstream and downstream value chain

9.4.3 Business conduct policies and corporate culture

Long-term success requires strict compliance with all applicable laws and regulations and the maintenance and development of high ethical standards in WashTec's business activities and external interactions.

The WashTec Group's corporate culture is the basis of ethical conduct, integrity and long-term success. It is shaped by the Company's core values of integrity, responsibility, respect and innovation. These values are enshrined in the WashTec Code of Conduct, which guides the conduct of all employees. All policies covered here have a global impact with a focus on the Company's own operations, but have a spillover effect on the upstream and downstream value chain.

The compliance management system at WashTec combines the actions, structures and processes to ensure compliance with internal and external frameworks and laws. Compliance with internal frameworks also includes adherence to the WashTec Code of Conduct, which plays a major role in shaping WashTec's corporate culture.

The main areas covered by WashTec's compliance management system comprise compliance culture, compliance objectives, compliance risks, compliance program, compliance organization, compliance communication and compliance monitoring and improvement.

Its primary objectives are as follows:

- Compliance with legal requirements, defined corporate codes and codes of conduct, and internal Group requirements
- Prevention or minimization of potential compensation claims, reputational damage, penalties, and liability on the part of WashTec employees or boards
- Establishment of a framework for compliant conduct as guidance for WashTec Group employees
- Detection and sanctioning of compliance violations

WashTec's corporate culture is subject to continuous development and is an integral part of the Company's strategic orientation. Based on internal and external developments, codes of conduct are adapted in response to new challenges, societal expectations or regulatory requirements. Managers play a central role in the further development of WashTec's corporate culture, leading by example and living the compliance culture through their conduct and decisions. This also applies in particular to the Management Board and Supervisory Board, who set the "tone from the top".

WashTec's corporate culture is cultivated on the basis of targeted action in support of people's day-to-day work and interactions within the Company. A compliance program has been implemented for this purpose, with measures to ensure that employees conduct themselves in accordance with the law. These notably include WashTec's policy management and training policy.

Policy management covers all material subject areas at various levels (Group standards, Group policies and local policies), including a corporate approval policy and signature policy. These are available on the intranet for all employees. Both the WashTec Code of Conduct and the WashTec Group Policy Statement on Social Responsibility and Human Rights are additionally available to all stakeholders on the corporate website.

WashTec's training policy ensures that all employees receive regular training on business conduct, which is a central element of the compliance management system. The scope of the business conduct training is largely based on the WashTec Code of Conduct. The training covers all relevant ethical and legal standards, including compliance with the law, preventing corruption, the protection of Company secrets and respectful interaction with employees and business partners.

Training on the WashTec Code of Conduct consists of a comprehensive basic training course provided to employees in an e-learning format in the national language of each WashTec company. This has to be completed once annually and by new employees when joining. In some cases, managers and selected employees are also provided with in-person training. Specific workshops on topical issues or legislative changes are additionally offered as the need arises. Internal feedback mechanisms keep the training courses practical and relevant.

Other measures include management development, which provides scope for shaping the corporate culture at all levels.

The corporate culture is evaluated on a regular basis, in particular through open dialogue between the Supervisory Board, the Management Board and managers, as well as with external stakeholders. Employee surveys are also conducted on certain aspects.

WashTec has established clear mechanisms for identifying, reporting and investigating concerns about unlawful behavior or behavior in contradiction of the WashTec Code of Conduct and internal rules. The mechanisms are designed to ensure that all employees and external stakeholders are able to report violations of Company policies or the law. WashTec has had a whistleblower system in place since 2016. This has been updated in recent years and meets the requirements of Directive (EU) 2019/1937.

The Grievance and Reporting Procedure published on the website sets out how complaints and reports are received in a structured manner and what steps are necessary for the identification and investigation of incidents (including incidents of corruption and bribery) in order for these to be investigated promptly, independently and objectively. The whistleblower system, which is accessible to anyone through an online platform, allows violations to be reported anonymously and confidentially without fear of retaliation.

The Corporate Internal Audit and the Legal and Compliance departments are responsible as the Central Contact Point for establishing, operating and regularly reviewing the Grievance and Reporting Procedure. The employees of the Central Contact Point are trained specialists who report directly – and subject to the maintenance of confidentiality – to the Management Board of WashTec AG, the parent company of the WashTec Group. They are not subject to any substantive instructions in the performance of their duties in connection with the Grievance and Reporting Procedure. The employees of the Central Contact Point undergo regular further training in this regard.

The results of investigations and corrective actions taken are also reported to the appropriate managers and, if necessary, to the competent supervisory authorities.

All WashTec employees are also provided information about the whistleblower system in the training on the WashTec Code of Conduct. Moreover, further information, together with contact details for the responsible parties, is provided on the website and on the intranet.

The Group-wide policies adopted by WashTec to manage material sustainability matters can be found in section 9.1.4.2. These affect all material business conduct-related impacts, risks and opportunities.

The table below shows important policies for dealing with material impacts, risks and opportunities in relation to business conduct at WashTec.

Policy	General objectives	IROs covered	Core content	Scope	Level accountable
Corporate approval policy	Stipulates on all necessary approvals in connection with all legal transactions.	IROs related to compliance, corruption and bribery	▪ Corporate approval matrix ▪ Use of the approval form	Group-wide	▪ Management Board ▪ Legal and Compliance Department
Signature policy	Ensuring application of the dual control principle	IROs related to compliance, corruption and bribery	▪ Two signature rule ▪ Signing by substitute party ▪ Original signatures and digitalized equivalent	Group-wide	▪ Management Board ▪ Legal and Compliance Department
WashTec Supplier Code of Conduct	Specification of basic requirements for the principles of business conduct for business partners	IROs related to compliance, corruption and bribery	▪ Requirements for suppliers in terms of ethical business conduct (e.g. compliance with the law and prohibition of corruption), environmental responsibility and social responsibility ▪ Information obligations, rights of control and remedial measures ▪ Grievance mechanism	Upstream and downstream value chain	▪ Management Board

9.4.4 Management of relationships with suppliers

WashTec attaches great importance to responsible and partnership-based working relationships with its suppliers.

When selecting new suppliers and working with strategic partners, an integrated approach is taken that considers not only economic and qualitative aspects, but also social and environmental criteria. This includes assessing working conditions, compliance with environmental standards and the reduction of GHG emissions.

WashTec values strong partnerships. WashTec's supplier strategy is based on ongoing working relationships in order to minimize potential risks in the supply chain through joint action. To this end, WashTec regularly analyzes its business relationships in terms of human rights, environmental impact and ethical business practices. The WashTec Supplier Code of Conduct sets out requirements for suppliers (direct suppliers and service providers) for legally compliant and sustainable business conduct.

Suppliers are required to comply, and ensure compliance, with the requirements of the WashTec Supplier Code of Conduct in their own business activities. Furthermore, WashTec reserves the right to conduct audits to verify compliance with the WashTec Supplier Code of Conduct.

WashTec has defined transparent payment processes and clear payment times to avoid delays in payment, especially for small and medium-sized enterprises (SMEs). Suppliers also have close contact to Procurement and Finance in order to ensure rapid resolution in the event of discrepancies.

9.4.5 Prevention and detection of corruption and bribery

As a central component of WashTec's governance strategy, the compliance management system also serves to prevent, detect, investigate and sanction cases of corruption and bribery.

The basis of anti-corruption activities at WashTec is the systematic embedding of compliance in the WashTec corporate culture. This begins with the clear communication of corporate values and policies, and in particular the WashTec Code of Conduct, which is mandatory for all employees and also in dealings with business partners. WashTec has also established internal controls to identify and minimize risks at an early stage.

Key preventive measures include regular, mandatory training and workshops for all employees and especially managers, including the administrative and management bodies, as well as employees in functions-at-risk such as Procurement and Sales. This training provides practical knowledge about anti-corruption laws, typical risk scenarios, how to deal with potential conflicts of interest and how to apply the WashTec Code of Conduct. It is tailored to the specific risks and requirements of the business units and has a modular structure. Legislative and regulatory changes are taken into account in regular updates. The training is provided in a variety of formats, including e-learning and classroom training.

The functions within WashTec that are most at risk in respect of corruption and bribery comprise functions with close contact to business partners, suppliers and public institutions. This applies in particular to Procurement, Sales, the Management Board and the management teams of affiliated companies. In the reporting year, 96% of employees in functions-at-risk were covered by specific training ("Compliance in dealings with business partners").

The members of the Management Board are generally provided with the same training as the functions-at-risk, and additionally with individual training scheduled to coincide with Management Board meetings in the form of targeted workshops geared specifically to their responsibilities and decision-making powers. All members of the Management Board took part in training on at least one occasion in the reporting year. For the Supervisory Board, training is generally provided as part of the onboarding process following election at the Annual General Meeting. No new members were elected to the Supervisory Board in the reporting year.

In addition to internal and external audits, WashTec uses the whistleblower system to detect cases of corruption and bribery. Employees, business partners and third parties can use this system to report suspicions.

Allegations of corruption are investigated in accordance with the processes set out in the Grievance and Reporting Procedure. This is available for information purposes to employees and the public on the WashTec website and provides information on WashTec's procedures for preventing, detecting and combating corruption and suspicions of corruption. Responsibility for investigating such cases lies with the Central Contact Point (see section 9.4.3). The Central Contact Point works closely with external investigating authorities where necessary. Subject to confidentiality requirements, it reports directly to the Management Board. Such matters are also reported to the Supervisory Board as part of regular reporting on the compliance management system and as the need arises.

Proven cases of corruption and bribery lead to clear consequences. These range from action under labor law to criminal charges. WashTec also uses the lessons learned from matters that arise for the continuous improvement of internal processes and preventive measures.

9.4.6 Metrics and targets related to business conduct

9.4.6.1 Disclosures on corruption and bribery

There were no convictions for violation of anti-corruption and anti-bribery laws in the WashTec Group in the reporting period. Furthermore, no fines were imposed. WashTec pursues a zero tolerance policy with regard to corruption and bribery and therefore aims to ensure on an ongoing basis that no cases of corruption or bribery are committed by WashTec or its employees.

Irrespective of this, measures to prevent and combat corruption and bribery, such as training, risk management and the whistleblower system, remain central elements of governance at WashTec. They ensure that corruption and bribery risks continue to be minimized and that compliance with WashTec standards remains guaranteed.

Corruption and bribery cases are regularly recorded at WashTec as part of legal and compliance case reporting throughout the year, with additional data collected in a data request as of the reporting date. Data on reports from the whistleblower system and from any cases is combined centrally here. The employees who handle legal and compliance case reporting are trained in relation to corruption and bribery as part of the above training and therefore have the appropriate knowledge to process the reporting.

9.4.6.2 Disclosures on the training rate

In the reporting year, 1,620 employees were assigned training on the WashTec Code of Conduct. Of these, 1,407 employees, or 87%, successfully completed the training.

9.5 Annex

Core elements of due diligence

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	■ General disclosures, section 9.1.2 Governance ■ Environmental information (climate change), section 9.2.2.2.2 Disclosures on material impacts, risks and opportunities and their interaction with strategy and business model ■ Environmental information (pollution), section 9.2.3.1.1 Disclosures on material impacts, risks and opportunities and their interaction with strategy and business model ■ Environmental information (water resources), section 9.2.4.1.1 Disclosures on material impacts, risks and opportunities and their interaction with strategy and business model ■ Social information, section 9.3.1.2 Disclosures on material impacts, risks and opportunities and their interaction with strategy and business model ■ Governance information, section 9.4.2.1 Disclosures on material impacts, risks and opportunities and their interaction with strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	■ General disclosures, section 9.1.3.2 Interests and views of stakeholders ■ General disclosures, section 9.1.4.1 Description of the general process to identify and assess material impacts, risks and opportunities ■ Social information, section 9.3.1.1 Interests and views of stakeholders
c) Identifying and assessing adverse impacts	■ General disclosures, section 9.1.4.1 Description of the general process to identify and assess material impacts, risks and opportunities ■ Environmental information (climate change), section 9.2.2.3.1 Description of the process to identify and assess material climate-related impacts, risks and opportunities ■ Environmental information (pollution), section 9.2.3.1.1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities ■ Environmental information (water resources), section 9.2.4.1.1 Description of the processes to identify and assess material impacts, risks and opportunities related to water resources ■ Governance information, section 9.4.2.1 Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct
d) Taking actions to address those adverse impacts	■ Environmental information (climate change), section 9.2.2.3.3 Actions and resources in relation to climate policies ■ Environmental information (pollution), section 9.2.3.1.3 Actions and resources in relation to pollution ■ Environmental information (water resources), section 9.2.4.1.3 Actions and resources in relation to water resources ■ Social information, section 9.3.2.4 Action taken in relation to own workforce ■ Governance information, section 9.4.3 Business conduct policies and corporate culture ■ Governance information, section 9.4.4 Management of relationships with suppliers ■ Governance information, section 9.4.5 Prevention and detection of corruption and bribery
e) Tracking the effectiveness of these efforts and communicating	■ Environmental information (climate change), section 9.2.2.4.1 Targets related to climate change mitigation and adaptation ■ Environmental information (pollution), section 9.2.3.2 Metrics and targets related to pollution ■ Environmental information (water resources), section 9.2.4.2 Metrics and targets related to water resources ■ Social information, section 9.3.3 Metrics and targets related to own workforce ■ Governance information, section 9.4.6 Metrics and targets related to business conduct

Table of ESRS disclosure requirements and datapoints that derive from other EU legislation

Disclosure requirement		Section	Section title	Page	Reference list		
					Datapoint	Reference	Page
ESRS 2 – General disclosures							
BP-1	General basis for preparation of sustainability statements	9.1.1.1	General basis for preparation of the non-financial statement	77	ESRS 2 para. 5	Notes to the Consolidated Financial Statements	162f.
BP-2	Disclosures in relation to specific circumstances	9.1.1.2 9.1.1.3	Estimates and uncertainties Cross-references and exemptions	77			
GOV-1	Role of the administrative, management and supervisory bodies	9.1.2.1	Role of Management Board and Supervisory Board	78	ESRS 2 paras. 21–23	Corporate Governance Statement	64ff.
GOV-2	Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies	9.1.2.2	Information provided to and sustainability matters addressed by the Management Board and Supervisory Board	79			
GOV-3	Integration of sustainability-related performance in incentive schemes	9.1.2.3	Integration of sustainability-related performance in incentive schemes	79	ESRS 2 para. 29	Remuneration report	
GOV-4	Statement on due diligence	9.1.2.4	Statement on due diligence	80			
GOV-5	Risk management and internal controls over sustainability reporting	9.1.2.5	Risk management and internal controls over sustainability reporting	80	ESRS 2 para. 36	Combined Management Report	58
SBM-1	Strategy, business model and value chain	9.1.3.1	Strategy, business model and value chain	80	ESRS 2 para. 40a	Combined Management Report	28
SBM-2	Interests and views of stakeholders	9.1.3.2	Interests and views of stakeholders	85			

Disclosure requirement		Section	Section title	Page	Reference list		
					Datapoint	Reference	Page
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	9.1.3.3	Material impacts, risks and opportunities and their interaction with strategy and business model	87			
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	9.1.4.1	Description of the general process to identify and assess material impacts, risks and opportunities	87			
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	9.5	Table of ESRS disclosure requirements and datapoints that derive from other EU legislation	146			
ESRS E-1 Climate change							
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	9.2.2.1	Integration of sustainability-related performance in incentive schemes in relation to environmental matters	104	ESRS 2 para. 29	Remuneration report	
E1-1	Transition plan for climate change mitigation	9.2.2.2.1	Transition plan for climate change mitigation	104			
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	9.2.2.2.2	Material impacts, risks and opportunities and their interaction with strategy and business model	106			
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	9.2.2.3.1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	108			
E1-2	Policies related to climate change mitigation and adaptation	9.2.2.3.2	Policies related to climate change mitigation and adaptation	109			
E1-3	Actions and resources in relation to climate policies	9.2.2.3.3	Actions and resources in relation to climate policies	110			

Disclosure requirement		Section	Section title	Page	Reference list		
					Datapoint	Reference	Page
E1-4	Targets related to climate change mitigation and adaptation	9.2.2.4.1	Targets related to climate change mitigation and adaptation	111			
E1-5	Energy consumption and mix	9.2.2.4.2	Energy consumption and mix	112			
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	9.2.2.4.3	Gross Scopes 1, 2 and 3 and Total GHG emissions	113			
ESRS E-2 Pollution							
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	9.2.3.1.1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	118			
E2-1	Policies related to pollution	9.2.3.1.2	Policies related to pollution	118			
E2-2	Actions and resources related to pollution	9.2.3.1.3	Actions and resources in relation to pollution	119			
E2-3	Targets related to pollution	9.2.3.2	Metrics and targets related to pollution	119			
ESRS E-3 Water and marine resources							
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to water resources	9.2.4.1.1	Description of the processes to identify and assess material impacts, risks and opportunities related to water resources	120			
E3-1	Policies related to water resources	9.2.4.1.2	Policies related to water resources	121			

Disclosure requirement		Section	Section title	Page	Reference list		
					Datapoint	Reference	Page
E3-2	Actions and resources in relation to water resources	9.2.4.1.3	Actions and resources in relation to water resources	121			
E3-3	Metrics and targets related to water resources	9.2.4.2	Metrics and targets related to water resources	122			
ESRS S-1 Own workforce							
ESRS 2 SBM-2	Interests and views of stakeholders	9.3.1.1	Interests and views of stakeholders	124			
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	9.3.1.2	Material impacts, risks and opportunities and their interaction with strategy and business model	124			
S1-1	Policies related to own workforce	9.3.2.1	Policies related to own workforce	126			
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	9.3.2.2	Processes for engaging with own workforce and workers' representatives about impacts	129			
S1-3	Processes to remediate negative impacts and channels for the own workforce to raise concerns	9.3.2.3	Processes to remediate negative impacts and channels for the own workforce to raise concerns	129			
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	9.3.2.4	Action taken in relation to own workforce	130			
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	9.3.3.1	Targets related to own workforce	132			
S1-6	Characteristics of the undertaking's employees	9.3.3.2	Characteristics of WashTec employees	132	ESRS S1 para 50f	Notes to the Consolidated Financial Statements	185

Disclosure requirement		Section	Section title	Page	Reference list		
					Datapoint	Reference	Page
S1-8	Collective bargaining coverage and social dialogue	9.3.3.3	Collective bargaining coverage and social dialogue	134			
S1-9	Diversity metrics	9.3.3.4	Diversity metrics	134			
S1-12	Persons with disabilities	9.3.3.5	Disclosures on persons with disabilities	135			
S1-14	Health and safety metrics	9.3.3.6	Health and safety metrics	135			
S1-16	Remuneration metrics	9.3.3.7	Remuneration metrics	136			
S1-17	Incidents, complaints and severe human rights impacts	9.3.3.8	Incidents, complaints and severe human rights impacts	136			
ESRS G-1 Business conduct							
ESRS 2 GOV-1	Governance	9.4.1	Governance in the WashTec Group	138			
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	9.4.2.1	Description of the processes to identify and assess material impacts, risks and opportunities related to business conduct	138			
G1-1	Business conduct policies and corporate culture	9.4.3	Business conduct policies and corporate culture	139			
G1-2	Management of relationships with suppliers	9.4.4	Management of relationships with suppliers	141			
G1-3	Prevention and detection of corruption and bribery	9.4.5	Prevention and detection of corruption and bribery	142			
G1-4	Incidents of corruption and bribery	9.4.6.1	Disclosures on corruption and bribery	143			

Table of databases used to determine GHG emissions

Database name	Background information on database	Applications related to Scope 3 categories or to emission sources	Reason for using the database	Link
Probas	The Probas database, developed by GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH) in cooperation with the German Federal Environment Agency (Umweltbundesamt), provides comprehensive environmental and life cycle data	3.6 Business travel 3.7 Employee commuting CO_2e emissions from natural gas consumption of sales and service organizations CO_2e emissions from electricity consumption of sales and service organizations	This database is the preferred reference for WashTec, as it is based on German data and authorized by a government agency	probas.umweltbundesamt.de; as of January 24, 2025
Data.gov	The Data.gov database is a US platform that provides public data from various US government agencies, including relevant data sets and emission factors for calculating CO_2 equivalents and environmental impacts, to support data-driven decision making and sustainable strategies.	3.1 Purchased goods and services 3.2 Capital goods 3.6 Business travel CO_2e emissions from electricity consumption at the US plant	This database is used for cost-based conversions. WashTec uses this database because it provides comprehensive data that is authorized by a government agency	Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6 – Catalog; as of January 24, 2025
DEFRA	The DEFRA (Department for Environment, Food & Rural Affairs) database is a collection of UK government emission factors used to calculate greenhouse gas emissions in various sectors	3.5 Waste generated in operations 3.6 Business travel 3.11 Use of sold products 3.12 End-of-life treatment of sold products Fuel consumption (gasoline and diesel) Cooling media consumption CO_2e emissions from purchases of district heating in the UK	WashTec uses this database because it provides comprehensive data that is authorized by a government agency. The DEFRA database is used as a supplementary data source if the ProBas database does not provide the required data	Greenhouse gas reporting: conversion factors 2024 – GOV.UK; as of January 24, 2025

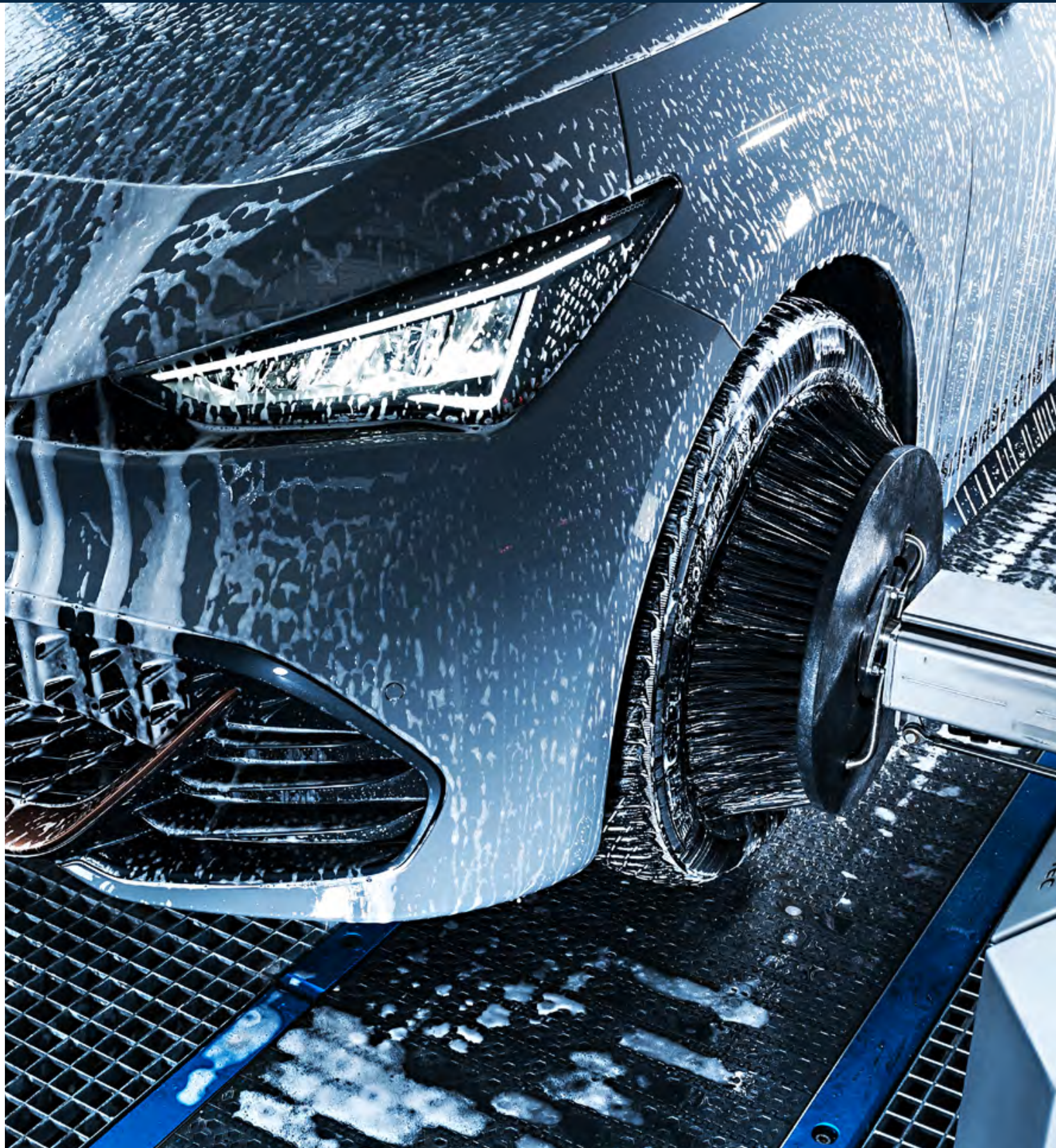
Database name	Background information on database	Applications related to Scope 3 categories or to emission sources	Reason for using the database	Link
LowCarbonPower	LowCarbonPower is a database that shows both the composition and the development of the emissions intensity of the electricity mix for various countries.	Czech Republic USA Fance Italiy UK Norway Denmark Netherlands Austria Spain Australia New Zealand Poland	WashTec uses this database to determine location-based Scope 2 emissions in the various countries.	CZ: Understand low-carbon energy in Czechia through Data | Low-Carbon Power USA: Understand low-carbon energy in United States through Data | Low-Carbon Power FR: Understand low-carbon energy in France through Data | Low-Carbon Power ITA: Understand low-carbon energy in Italy through Data | Low-Carbon Power UK: Understand low-carbon energy in United Kingdom through Data | Low-Carbon Power NOR: lowcarbonpower.org/region/Norway DK: Understand low-carbon energy in Denmark through Data | Low-Carbon Power NL: Understand low-carbon energy in Netherlands through Data | Low-Carbon Power AT: Understand low-carbon energy in Austria through Data | Low-Carbon Power SPA: Understand low-carbon energy in Spain through Data | Low-Carbon Power AUS: Understand low-carbon energy in Australia through Data | Low-Carbon Power NZL: https://lowcarbonpower.org/region/New_Zealand PL: Understand low-carbon energy in Poland through Data | Low-Carbon Power

Augsburg, March 24, 2025

Michael Drolshagen
CEO/CTO/Chairman of the
Management Board

Sebastian Kutz
CSO/Member of the
Management Board

Andreas Pabst
CFO/Member of the
Management Board



Consolidated Financial Statements of WashTec AG

Consolidated Income Statement

in €k	Note	Jan 1 to Dec 31, 2024	Jan 1 to Dec 31, 2023
Revenue	7	476,889	489,468
Cost of sales	8	–329,222	–352,934
Gross profit		**147,667**	**136,534**
Research and development expenses	8	–16,511	–14,154
Selling expenses	8	–63,317	–62,452
Administrative expenses	8	–21,151	–18,570
Other income	9	3,560	5,360
Other expenses	9	–4,745	–4,832
Earnings before interest and taxes (EBIT)		**45,503**	**41,886**
Financial income		466	213
Financial expenses		–3,620	–3,688
Financial result	10	**–3,155**	**–3,475**
Earnings before taxes (EBT)		**42,348**	**38,411**
Income taxes	11	–11,322	–10,439
Net income		**31,026**	**27,972**
Average number of shares in units		**13,382,324**	**13,382,324**
Earnings per share (basic = diluted) in €	12	**2.32**	**2.09**

Further information on the Consolidated Income Statement is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

in €k	Jan 1 to Dec 31, 2024	Jan 1 to Dec 31, 2023
Net income	**31,026**	27,972
Actuarial gains/losses from defined benefit obligations and similar obligations	–668	318
Deferred taxes	212	–75
Items that will not be reclassified to profit or loss	**–456**	243
Changes in fair value of financial instruments used for hedging purposes	13	–9
Adjustment item for currency translation of foreign subsidiaries and currency changes	1,853	–1,241
Exchange differences on net investments in subsidiaries	–193	139
Deferred taxes	–4	3
Items that may be subsequently reclassified to profit or loss	**1,669**	–1,108
Other comprehensive income (OCI)	**1,213**	–865
Total comprehensive income	**32,239**	27,108

Further information on the Consolidated Statement of Comprehensive Income is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

Consolidated Balance Sheet Assets

in €k	Note	Dec 31, 2024	Dec 31, 2023
Property, plant and equipment	14	33,998	33,725
Goodwill	14	43,884	43,289
Intangible assets	14	10,366	7,447
Right-of-use assets	15	20,806	18,413
Non-current trade receivables	19	236	209
Other non-current receivables	19	2,046	3,904
Other non-current financial assets	20	416	201
Other non-current non-financial assets	20	576	556
Deferred tax assets	16	4,604	3,478
Non-current assets		**116,931**	**111,222**
Inventories	17	55,065	54,766
Current trade receivables	19	76,327	67,416
Other current receivables	19	1,816	777
Tax receivables	18	5,800	16,640
Other current financial assets	20	1,385	1,643
Other current non-financial assets	20	2,844	2,170
Cash and cash equivalents	21	19,512	16,673
Current assets		**162,749**	**160,084**
Assets		**279,679**	**271,306**

Further information on the Consolidated Balance Sheet is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

Consolidated Balance Sheet Equity and Liabilities

in €k	Note	Dec 31, 2024	Dec 31, 2023
Subscribed capital	22	40,000	40,000
Capital reserves	23	36,463	36,463
Treasury shares	24	–13,177	–13,177
Other reserves and currency translation effects	25	–2,676	–3,834
Profit carried forward		–3,129	–1,660
Net income		31,026	27,972
Equity		**88,507**	**85,765**
Non-current interest-bearing loans	28	3,489	5,204
Non-current lease liabilities	29	12,773	11,576
Provisions for pensions	26	8,564	8,113
Other non-current provisions	27	2,024	2,671
Other non-current financial liabilities	30	225	55
Other non-current non-financial liabilities	30	503	80
Non-current contract liabilities	31	1,134	1,297
Deferred tax liabilities	16	2,249	1,741
Non-current liabilities		**30,961**	**30,737**
Current interest-bearing loans	28	40,442	33,916
Current lease liabilities	29	9,061	7,863
Trade payables	30	19,577	23,951
Income tax liabilities		4,792	4,699
Other current financial liabilities	30	20,021	19,117
Other current non-financial liabilities	30	25,449	25,818
Other current provisions	27	10,474	11,641
Current contract liabilities	31	30,395	27,799
Current liabilities		**160,211**	**154,805**
Equity and liabilities		**279,679**	**271,306**

Further information on the Consolidated Balance Sheet is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

in €k	Number of shares (in units)	Subscribed capital	Capital reserves	Treasury shares	Other reserves and currency translation effects	Profit carried forward	Total
As of January 1, 2023	**13,382,324**	**40,000**	**36,463**	**–13,177**	**–2,942**	**27,781**	**88,125**
Income and expenses recognized in other comprehensive income (OCI)					–792		–792
Taxes on transactions recognized in other comprehensive income (OCI)					–72		–72
Share-based payment					–27		–27
Dividend						–29,441	–29,441
Net income						27,972	27,972
As of December 31, 2023	**13,382,324**	**40,000**	**36,463**	**–13,177**	**–3,834**	**26,312**	**85,765**
As of January 1, 2024	**13,382,324**	**40,000**	**36,463**	**–13,177**	**–3,834**	**26,312**	**85,765**
Income and expenses recognized in other comprehensive income (OCI)					1,005		1,005
Taxes on transactions recognized in other comprehensive income (OCI)					208		208
Share-based payment					–55		–55
Dividend						–29,441	–29,441
Net income						31,026	31,026
As of December 31, 2024	**13,382,324**	**40,000**	**36,463**	**–13,177**	**–2,676**	**27,897**	**88,507**

Further information on the Consolidated Statement of Changes in Equity is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement*

in €k	Note	Jan 1 to Dec 31, 2024	Jan 1 to Dec 31, 2023
Net income		**31,026**	**27,972**
Amortization, depreciation and impairment		14,600	14,692
Gain from disposals of non-current assets		–120	–120
Income taxes		11,322	10,439
Other non-payment-related income and expenses		140	–1,337
Financial result		3,155	3,475
Gross cash flow		**60,123**	**55,120**
Increase/decrease in trade receivables and other receivables		–7,750	9,987
Increase/decrease in inventories		1,005	15,355
Increase/decrease in trade payables		–4,769	1,255
Increase/decrease in prepayments on orders		2,325	–6,081
Increase/decrease in net operating working capital		**–9,189**	**20,517**
Changes in provisions		–2,058	2,024
Income taxes received/paid		–695	–13,462
Changes in other net working capital		1,538	–2,389
Net cash inflow from operating activities		**49,718**	**61,809**
Purchase of property, plant and equipment (without leases)		–8,383	–14,726
Proceeds from sale of property, plant and equipment		248	228
Cash and cash equivalents disposed of on the sale of subsidiaries		0	–396
Payments for the acquisition of subsidiaries less acquired cash and cash equivalents		–2,103	–769
Net cash outflow from investing activities		**–10,238**	**–15,664**
Free cash flow		**39,481**	**46,145**
Assumption of interest-bearing loans		0	9,308
Repayment of interest-bearing loans		–2,255	–2,476
Dividend payout		–29,441	–29,441
Interest received		340	152
Interest paid		–3,582	–3,547
Repayment of lease liabilities		–9,019	–8,372
Net cash outflow from financing activities		**–43,957**	**–34,376**
Net increase/decrease in cash funds		**–4,476**	**11,769**
Net foreign exchange difference		**604**	**–236**
Cash funds at January 1		**–15,614**	**–27,147**
Cash funds at December 31	21	**–19,486**	**–15,614**

Further information on the Consolidated Cash Flow Statement is provided in the Notes to the Consolidated Financial Statements.

The Notes to the Consolidated Financial Statements are an integral part of the consolidated financial statements.

** Since January 1, 2024, the determination of the net cash inflow from operating activities begins with net income and no longer with earnings before taxes (EBT). This results in a change in the composition of the gross cash flow. The income taxes item is now additionally included. Movements in provisions and the income tax received/paid item are no longer included in gross cash flow. The comparative information has been prepared on the basis of the modified reporting structure applicable from January 1, 2024.*

Notes to the Consolidated Financial Statements of WashTec AG (IFRS) for Fiscal Year 2024

General

1. General information on the Group

The consolidated financial statements of the WashTec Group for the fiscal year January 1 to December 31, 2024 were prepared by the Management Board and submitted to the Supervisory Board for review on March 24, 2025. They are to be approved at the Supervisory Board meeting on March 25, 2025 and subsequently released for publication by the Management Board. The consolidated financial statements and Group Management Report may be accessed via the Bundesanzeiger (Federal Gazette) and the Unternehmensregister (Company Register) and downloaded from our website at *https://ir.washtec.de/en/financial_reports/*.

The ultimate parent company of the WashTec Group is WashTec AG, which is entered in the commercial register of the Local Court of the City of Augsburg, Germany, under registration number HRB 81.

The Company's registered office is Argonstrasse 7, 86153 Augsburg, Germany.

The Company's shares are in free float and are listed on the Open Market in the Prime Standard segment of Frankfurt stock exchange.

The purpose of the WashTec Group comprises the development, manufacture, sale and servicing of carwash products and washing chemicals, as well as leasing and all related services and financing solutions required in order to operate carwash equipment.

2. Basis of preparation of the consolidated financial statements

The consolidated financial statements of WashTec AG have been prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) in force as of the balance sheet date together with the interpretations of the IFRS IC (IFRIC). They comply with the accounting standards applicable in the European Union for fiscal year 2024 and are also supplemented by additional information required under section 315e of the German Commercial Code (Handelsgesetzbuch, or HGB) and by the Group Management Report.

The consolidated financial statements are prepared on a historical cost basis except with respect to share-based payment and derivative financial instruments, which are measured at fair value. The consolidated financial statements are presented in euros. Unless otherwise indicated, all figures are rounded to the nearest thousand (€k); this may result in rounding differences. The fiscal year is the calendar year.

The WashTec Group's business development in fiscal year 2024 was influenced by macroeconomic developments such as global trade conflicts, declining inflation and falling interest rate levels. Climate-related matters mainly impact the WashTec Group's financial position, financial performance and cash flows through capital expenditure on carbon reduction measures, although there is currently no effect on useful lives and residual values of property, plant and equipment or intangible assets. Overall, on the basis of estimates, assumptions or judgments, there are no significant impacts on the financial position, financial performance and cash flows of the WashTec Group.

3. Basis of consolidation and consolidated group

Basis of consolidation

The consolidated financial statements comprise the financial statements of WashTec AG and its subsidiaries as of December 31 of each fiscal year. The financial statements of the subsidiaries are prepared using uniform accounting policies as of the same reporting date as the parent company's financial statements.

Subsidiaries are fully consolidated as of the acquisition date, which is the date when the Group obtains control. WashTec AG controls an investee from the point in time when WashTec AG is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of an investee ceases when the parent company loses control of the investee.

All intragroup balances, transactions, income, expenses as well as unrealized gains and losses resulting from intragroup transactions are eliminated in full.

Consolidated group

In addition to the parent company, the consolidated financial statements of WashTec AG also contain the following group entities as of December 31, 2024 (shareholdings in accordance with 315e in conjunction with section 313 (2) HGB). Figures for companies in Germany are based on annual financial statements prepared in accordance with German commercial law; for foreign companies they are generally based on IFRS financial statements before consolidation.

Consolidated entities as of December 31, 2024	Shareholding in %	Parent	Business activity	Equity at Dec 31, 2024 in €k	Profit/loss for 2024 in €k
German entities					
WashTec Cleaning Technology GmbH, Augsburg, Germany [1) 3)]	100	A	I	29,846	0
WashTec Holding GmbH, Augsburg, Germany [2) 3)]	100	B	II	25,122	0
WashTec Carwash Management GmbH, Augsburg, Germany [2) 3)]	100	B	III	51	0
WashTec Financial Services GmbH, Augsburg, Germany [1) 3)]	100	A	IV	62	0
AUWA-Chemie GmbH, Augsburg, Germany [2) 3)]	100	B	V	537	0
Foreign entities					
WashTec France S.A.S., Boigny sur Bionne, France	100	C	VI	17,760	2,674
Mark VII Equipment Inc., Arvada, USA	100	C	I	37,116	3,380
WashTec S.r.l., Casale, Italy	100	C	VI	2,397	345
WashTec UK Ltd., Great Dunmow, United Kingdom	100	C	VI	5,884	468
WashTec A/S, Hedehusene, Denmark	100	C	VI	2,842	722
WashTec Bilvask AS, Billingstad, Norway [4)]	100	F	VI	5,119	1,646
WashTec Cleaning Technology GmbH, Vienna, Austria	100	C	VI	2,722	488
WashTec Spain S.A.U., Madrid, Spain	100	C	VI	4,137	498
WashTec Cleaning Technology s.r.o., Nyrany, Czech Republic	100	D	VII	6,295	392
WTMVII Cleaning Technologies Canada Inc., Burlington, Ontario, Canada [5)]	100	E	VI	347	27
WashTec Australia Pty Ltd., Sydney, Australia	100	C	VI	3,644	499
WashTec Benelux B.V., Zoertermeer, Netherlands	100	C	VI	2,669	632
WashTec Nordics AB, Bollebygd, Sweden	100	C	VI	1,402	750
WashTec Polska Sp. z o.o., Warsaw, Poland	100	D	VI	741	–1
WashTec New Zealand Limited, Auckland, New Zealand	100	C	VI	1,624	38
WashTec Operational Services Sp. z o.o., Kraków, Poland [6) 7)]	100	G	VI	1,113	67

1) Profit/loss absorbed by WashTec Holding GmbH
2) Profit/loss absorbed by WashTec AG
3) Companies that have made use of the simplification provisions pursuant to section 264 (3) of the German Commercial Code (HGB)
4) Indirect shareholding via WashTec A/S, Hedehusene, Denmark
5) Indirect shareholding through Mark VII Equipment Inc., Arvada, USA
6) Indirect shareholding through WashTec Polska Sp. z o.o., Warsaw, Poland
7) Company first consolidated and included for the purposes of the sustainability statement from September 4, 2024.

A) WashTec Holding GmbH
B) WashTec AG
C) WashTec Cleaning Technology GmbH
D) 90% of interests held by WashTec Cleaning Technology GmbH, 10% by WashTec Holding GmbH
E) Mark VII Equipment Inc., Arvada, USA
F) WashTec A/S, Hedehusene, Denmark
G) WashTec Polska Sp. z o.o., Warsaw, Poland

I) Production, sales and service entity
II) Holding company
III) Carwash rental
IV) Arrangement of finance for carwash equipment
V) Development, production and sale of chemical products
VI) Sales and service entity
VII) Production entity

Changes in the consolidated group

Acquisition of subsidiaries

For the acquisition of Car Kleen New Zealand Limited in fiscal year 2023, WashTec New Zealand Limited made payments of €817k in the first half of 2024. The agreed purchase price was thus paid in full after fulfillment of the contractual conditions.

Effective September 4, 2024, WashTec Polska Sp. z o.o. acquired 100% of the shares in longstanding distribution partner Mayco-WashTec Sp. z o.o., Kraków, Poland. The company will trade in future as WashTec Operational Services Sp. z o.o. The acquisition enables WashTec to further strengthen its market position in Poland, offer customers even better service, expand its product range and services and benefit from the combined know-how. 13 employees were added to the workforce as of December 31, 2024.

The purchase price for the acquisition was €1,676k. Of this amount, €1,469k was paid out of cash funds by the December 31, 2024 reporting date. The remaining amount is due two years after signing the contract. Incidental acquisition costs amounted to €18k.

The acquired net assets were measured at a fair value of €1,676k, resulting in goodwill of €650k. The goodwill mainly relates to the expected synergies based on the proven track record of WashTec Operational Services Sp. z o.o. in vehicle wash technology and the team’s many years of experience.

The following table shows the assets and liabilities recognized at the acquisition date:

in €k	**Fair value**
Non-current assets (including right-of-use assets)	4
Receivables and other assets	468
Inventories	765
Cash and cash equivalents	183
Assets acquired	**1,420**
Liabilities and provisions	394
Liabilities assumed	**394**
Net assets	1,027
Goodwill	650
Consideration	**1,676**

The fair value of the acquired trade receivables was €452k at the acquisition date. This corresponds to the gross amount of the trade receivables. No impairment was recognized at the acquisition date.

Consolidated net income as of December 31, 2024 includes revenue of €1,430k and net income of €67k.

Had the acquisition been made as of January 1, 2024, revenue of €4,168k and net income of €547k would have contributed to the consolidated net income of the WashTec Group in fiscal year 2024.

Deconsolidation of subsidiaries

In the prior fiscal year, effective December 14, 2023, WashTec sold 90% of the shares in its Chinese subsidiary, WashTec Car Cleaning Equipment (Shanghai) Co., Ltd., to the existing management. The sale was registered by the competent authorities in China effective December 19, 2023.

€–504k was recognized as expense in the prior-year consolidated income statement in connection with the deconsolidation of the Chinese subsidiary. Up to the deconsolidation date, revenue of €6,446k and operating profit (EBIT) of €–738k were recognized in the prior-year consolidated income statement of the WashTec Group.

4. Effects of new financial reporting standards

New or amended financial reporting standards entered into force in the reporting period. The WashTec Group applied the following new and revised International Financial Reporting Standards (IFRS) and Interpretations in fiscal year 2024:

Standards applied and amendments to existing standards

Standard/ Inter-pretation	Title	Mandatory application	EU endorsement	Material effects on the Group
IAS 1	Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current	January 1, 2024	December 20, 2023	None
IAS 1	Amendments to IAS 1 – Non-current Liabilities with Covenants	January 1, 2024	December 20, 2023	None
IFRS 16	Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback	January 1, 2024	November 21, 2023	None
IAS 7	Amendments to IAS 7 and IFRS 7 – Supplier Finance Agreements	January 1, 2024	May 16, 2024	None

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee have also issued additional standards, interpretations and amendments as listed below that did not yet have to be applied in fiscal year 2024 and/or have not yet been endorsed by the European Union.

The WashTec Group had not elected early application of these standards as of December 31, 2024. Initial application of the standards is planned when they are recognized and endorsed by the European Union.

Standards and amendments not yet applied

Standard/ Inter-pretation	Title	Mandatory application	EU endorsement	Material effects on the Group
IAS 21	Amendments to IAS 21 – Lack of Exchangeability	January 1, 2025	November 13, 2024	None
IFRS 7 / IFRS 9	Amendments to IFRS 7 and IFRS 9 – Classification and Measurement	January 1, 2026	Open	None
IFRS 7 / IFRS 9	Amendments to IFRS 7 and IFRS 9 – Contracts Referencing Nature-dependent Electricity	January 1, 2026	Open	None
IFRS	Annual improvements IFRS – Volume 11	January 1, 2026	Open	None
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027	Open	The standard will lead to changes in presentation in the consolidated income statement and the consolidated cash flow statement and to additional disclosures in the notes.
IFRS 19	Subsidiaries without Public Accountability – Disclosure	January 1, 2027	Open	None

5. Accounting policies

The adopted accounting policies are (unless otherwise specified below) consistent with those applied in prior years. For the accounting policies applied in the prior year, please see the prior-year Notes to the Consolidated Financial Statements.

Currency translation

The consolidated financial statements are presented in euros. Annual financial statements of subsidiaries prepared in foreign currencies are translated using the functional currency method. The functional currency of a foreign company is its national currency. Items in the financial statements of such a company are measured in that currency.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing rate. All exchange differences are recognized in profit or loss with the exception of exchange differences relating to net investments in a foreign operation and adjustment items for currency translation. These are recognized in other comprehensive income until disposal of the net investment. On disposal, they are recognized in profit or loss for the period. Deferred taxes arising from such exchange differences are likewise recognized in other comprehensive income.

Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation and are translated at closing rates.

Assets and liabilities of subsidiaries that do not report in euros are translated at the closing rate, and their income and expenses are translated at the average exchange rate for the fiscal year. Exchange differences are recognized in other comprehensive income as a separate component. On disposal of a foreign operation, the cumulative amount recognized in other comprehensive income is reclassified to profit or loss.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. The cost of a replacement for part of an item of property, plant and equipment is recognized in the carrying amount of the item when the cost is incurred, if the recognition criteria are met. In addition to directly attributable costs, the cost of self-constructed assets also includes an allocation of material and production overheads and depreciation. Costs of servicing and maintenance are recognized in profit or loss as incurred. Depreciation is allocated pro rata temporis on a straight-line basis over the expected useful life.

Property, plant and equipment is mostly depreciated using the following useful lives:

Property, plant and equipment	Useful life
Buildings	20 to 50 years
Technical plant and machinery	5 to 14 years
Other plant, fixtures and fittings	3 to 8 years

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition (measured as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the item is derecognized. At the end of each fiscal year, an asset's residual value, useful life and method of depreciation are reviewed and, if necessary, adjusted.

Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. For this purpose, the cost of the acquisition is determined as the fair value of the consideration transferred, meaning the sum of the assets transferred, equity instruments issued and liabilities assumed at the acquisition date. Incidental expenses are generally recognized as expense.

Goodwill is initially measured at cost. It is measured as the excess of the cost of the business combination over the acquirer's share in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. It is not amortized but is tested for impairment at least annually and whenever there is an indication that it may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to the Group's cash-generating units (segments) that are expected to benefit from the synergies of the business combination.

Intangible assets

Intangible assets mainly comprise acquired patents, technologies, capitalized development costs, licenses and software.

Intangible assets are mostly amortized using the following useful lives:

Intangible assets	Useful life
Acquired patents and technologies	8 years
Licenses and software	3 to 8 years
Capitalized development costs	6 to 8 years

Acquired intangible assets

Intangible assets not acquired in a business combination are measured at cost on initial recognition and subsequently measured at cost less any accumulated amortization and impairment losses.

A distinction is made between intangible assets with finite and indefinite useful lives. In the reporting period, the Group only had assets with finite useful lives.

Intangible assets with a finite useful life are amortized on a straight-line basis over their economic useful life. The amortization period and the amortization method are reviewed at the end of each fiscal year and adjusted if expectations have changed. There were no changes in fiscal year 2024.

Internally generated intangible assets (research and development costs)

Research costs are recognized as expense in the period in which they are incurred. Development costs for a given project comprise all directly attributable costs (mainly personnel expenses) as well as allocated overheads. They are capitalized as an intangible asset only if the asset can be identified, a future economic benefit is expected and the cost can be measured reliably during development. In addition, development costs are only capitalized if completion of development and subsequent use or sale are technically and financially feasible and intended.

After initial recognition of development costs as an asset, the cost model is applied, meaning that the asset is carried at cost less any accumulated amortization and accumulated impairment losses. Amortization begins on completion of the development phase from the date at which the asset can be used. The asset is amortized over the period of the expected future economic benefits. During the development phase, when the useful life is indefinite, the asset is tested annually for impairment.

Impairment of non-financial assets

Assets with a finite useful life are tested at each reporting date for indications of impairment. If there is such an indication, the Group estimates the asset's recoverable amount. An asset's recoverable amount is fair value less costs of disposal or value in use, whichever is higher. Value in use is determined using a suitable valuation model. For this purpose, the expected future cash flows are discounted to present value by applying a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. Recoverable amount is estimated for each individual asset. If it cannot be estimated for an asset, it is estimated for the cash-generating unit to which the asset belongs. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired and is written down to its recoverable amount. Impairment losses recognized in prior reporting periods are only reversed through profit or loss if there has been a change in the assessment used to determine the recoverable amount. The increased carrying amount may not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized in the past. Impairment losses are reversed through profit or loss.

Intangible assets with an indefinite useful life and goodwill are tested for impairment annually and if there are events or circumstances that indicate that an asset may be impaired.

Goodwill is tested for any impairment by estimating the recoverable amount of the group of cash-generating units to which the goodwill has been allocated. The groups of cash-generating units in the Group correspond to the operating segments identified in accordance with IFRS 8. These are the Europe and other segment and the North America segment. Further details on the operating segments are presented in Note 7.

If the recoverable amount of a group of cash-generating units is less than the units' carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not permitted to be reversed in subsequent reporting periods. The Group carries out annual goodwill impairment testing after completion of the budgeting process.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Initial recognition takes place when the Company becomes a party to the contractual provisions of the financial instrument.

All regular way purchases and sales of financial assets are accounted for at the trade date, which is the date when the Group commits itself to purchase or sell the asset. Regular way purchases or sales require delivery of the asset within the timeframe established by regulation or convention in the marketplace.

Financial assets

Financial assets primarily comprise cash and cash equivalents, trade receivables, derivatives with a positive market value and other financial assets.

Financial assets are classified as at amortized cost (AC), at fair value through other comprehensive income (FVthOCI) or at fair value through profit or loss (FVthP/L). On initial recognition, they are classified on the basis of the entity’s business model for managing financial assets and of the contractual cash flow characteristics of the financial asset, and are measured at fair value. Financial assets not subsequently measured at fair value through profit or loss are initially measured at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset.

Financial assets at amortized cost (AC):
This category comprises financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows where the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the financial assets are measured at amortized cost less any accumulated impairment losses. Receivables with a significant financing component are discounted at current market interest rates if the effect is material. Such receivables are subsequently measured at amortized cost using the effective interest method less any accumulated impairment losses. Gains and losses on derecognition or impairment of the financial assets are recognized in profit or loss.

Cash and cash equivalents comprise cash on hand and bank balances that have a term of less than three months from the date of acquisition and are carried at face value. For the purposes of the consolidated cash flow statement, cash funds consist of cash and cash equivalents as defined above plus any utilized bank overdrafts.

Financial assets at fair value through other comprehensive income (FVthOCI):
This category comprises financial assets held within a business model whose objective is both to hold financial assets in order to collect contractual cash flows and to sell financial assets where the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at fair value through other comprehensive income.

Financial assets at fair value through profit or loss (FVthP/L):
Financial assets not measured at amortized cost (AC) or at fair value through other comprehensive income (FVthOCI), and derivatives not designated as hedging instruments for which hedge accounting is applied, are measured at fair value through profit or loss (FVthP/L). In addition, financial assets can be voluntarily designated in certain circumstances as at fair value through profit or loss (FVthP/L). The Group does not currently make use of this option.

Impairment of financial assets:
The Group tests financial assets, and groups of financial assets not at fair value through profit or loss, for impairment as of each balance sheet date.

A risk allowance is normally recognized on the basis of the general approach using a three-stage model in relation to changes in the default risk on a financial asset. On initial recognition, all financial assets are normally classified in stage 1 and their 12-month expected credit loss determined. If the credit risk on a financial asset has increased since the previous reporting date, the asset is transferred to stage 2. WashTec assumes a significant increase in credit risk if the financial asset is more than 30 days past due. Where there is additionally objective evidence of impairment, a financial asset is transferred to stage 3. Objective evidence of impairment comprises the initiation of legal action or the fact that payments are past due by more than one year. The period of more than one year was selected because no material defaults have been recorded in the past with shorter periods past due. In stage 2 and 3, the risk allowance is recognized in the amount of the lifetime expected credit losses.

Impairment losses on trade receivables without a significant financing component are accounted for using the simplified approach. In addition, an entity can likewise elect to apply the simplified approach to trade receivables with a significant financing component. For this purpose, the risk allowance is recognized in the amount of the lifetime expected credit losses. The Group makes use of this election for trade receivables with a significant financing component and calculates the impairment losses on the basis of an impairment table.

Trade receivables have similar credit risk characteristics. For the measurement of lifetime expected credit losses, trade receivables are grouped based on days past due. The impairment rates are based on country-specific credit loss rates over the past three years and are adjusted for forward-looking macroeconomic factors affecting customer solvency, such as country-specific risks.

The risk allowance for other financial assets and cash and cash equivalents is recognized using the general approach. Expected credit losses on other financial assets and on cash and cash equivalents are immaterial and are not recognized.

Derecognition of financial assets:
A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is derecognized when contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer meets the criteria for derecognition under IFRS 9. In the event of objective evidence that a receivable is impaired, an impairment loss is recognized. If a receivable is classified as uncollectible, it is derecognized.

Financial liabilities

The financial liabilities mainly comprise liabilities to credit institutions, trade payables, derivatives with a negative market value and other financial liabilities. Financial liabilities are classified as non-current if their remaining term is more than twelve months; they are classified as current if their remaining term is less than twelve months.

Financial liabilities are classified as at amortized cost (FLAC) or at fair value through profit or loss (FVthP/L).

Financial liabilities are normally initially recognized at fair value and subsequently measured at amortized cost (FLAC) using the effective interest method. Financial liabilities at fair value through profit or loss, derivatives with a negative market value and financial liabilities designated on initial recognition at fair value through profit or loss are subsequently measured at fair value through profit or loss (FVthP/L). Financial liabilities not subsequently measured at fair value through profit or loss are initially measured at fair value less transaction costs.

Derecognition of financial liabilities:
A financial liability is derecognized when the obligation specified in the contract is discharged, canceled or expires.

Derivative financial instruments and hedging

The WashTec Group used derivative financial instruments in the form of interest rate swaps to manage interest rate risk in the reporting year. Derivative financial instruments are initially recognized and subsequently measured at fair value and, according to their market value, are accounted for as other financial assets or other financial liabilities. Changes in fair value are accounted for according to whether a derivative financial instrument is designated in an effective hedge. Derivatives without hedge accounting are recognized in the financial result through profit or loss (FVthP/L).

The fair value of a derivative financial instrument is accounted for in full in other non-current financial assets or other non-current financial liabilities if the remaining term of the derivative is more than twelve months. It is accounted for in full in other current financial assets or other current financial liabilities if the remaining term of the derivative is less than twelve months.

At the inception of a hedging relationship, both the hedging relationship and the Group’s risk management objectives and strategies with regard to the hedge are formally designated and documented. The documentation includes the identification of the hedging instrument, the hedged item, the nature of the hedged risk and how the entity assesses whether the hedging relationship meets the hedge effectiveness requirements (including an analysis of the reasons for any hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship meets all hedge effectiveness requirements if there is an economic relationship between the hedged item and the hedging instrument, the effect of credit risk does not dominate the value changes that result from that economic relationship and the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Cash flow hedges

A cash flow hedge is the hedge of exposure to variability to cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability or a highly probable forecast transaction and could affect profit or loss.

The effective portion of changes in the fair value of derivative financial instruments designated as hedging instruments in cash flow hedges is recognized in other comprehensive income and included in other reserves. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. The amounts recognized in other reserves are reclassified to profit or loss in the period during which the hedged transaction affects profit or loss, such as when hedged financial income or expense is recognized or a forecast sale occurs.

If a hedging instrument expires or is sold or terminated, or if the hedging relationship no longer meets the criteria for hedge accounting, any cumulative deferred amounts at that time remain in other reserves for as long as the hedged item continues to exist. If the hedged transaction is no longer expected to occur, the cumulative amounts presented in other reserves are reclassified to profit or loss.

Net investments in foreign operations

A monetary item receivable from a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is a part of the entity's net investment in a foreign operation. Such monetary items are non-current receivables from foreign subsidiaries of the Group. Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the subsidiary. In the consolidated financial statements, such exchange differences are recognized in other comprehensive income and included in other reserves. On disposal of the subsidiary, they are reclassified from other reserves to profit or loss (gains or losses from exchange differences).

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of raw materials, consumables and supplies is determined on a rolling average basis. The cost of finished goods and work in progress includes directly attributable costs as well as a reasonable allocation of material and production overheads on the basis of normal capacity utilization. Borrowing costs are not included.

Treasury shares

The cost of any treasury shares purchased by WashTec AG is accounted for as a single adjustment in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of treasury shares.

Provisions

Other provisions

Other provisions are recognized for all legal or constructive obligations to third parties as of the balance sheet date whose timing or amount is uncertain. They are measured at the present value of the best estimate of the expenditures required to settle the obligations. If the Group expects reimbursement of some or all of a provision (such as through an insurance policy), the reimbursement is recognized as a separate asset if it is virtually certain. Non-current provisions are discounted at pre-tax market interest rates where the effect of the time value of money is material. The effect of the time value of money is presented in the financial result. Provisions are normally reversed to the same item in the income statement for which they were recognized.

Provisions for pensions

Provisions for pensions are calculated using the projected unit credit method (IAS 19 revised). This takes into account the pensions known and vested as of the balance sheet date as well as expected future increases in salaries and pensions. Actuarial gains and losses are recognized immediately in their entirety in other comprehensive income net of deferred taxes. The service cost and interest are presented in operating result. For further details, please see Note 26.

Provisions for partial retirement agreements (GER)

Partial retirement agreements are largely based on the “block” model. This gives rise to two types of obligations, which are each measured at present value in accordance with actuarial principles and are accounted for separately. The first type of obligation relates to the cumulative outstanding settlement amount, which is recognized pro rata temporis over the active/working phase. The cumulative outstanding settlement amount is based on the difference between the employee’s remuneration before the inception of the partial retirement agreement (including the employer’s share of social insurance contributions) and the remuneration for part-time employment (including the employer’s share of social insurance contributions but excluding top-up amounts). The second type of obligation relates to the employer’s obligation to pay top-up amounts plus an additional contribution to statutory pension insurance. In accordance with IAS 19 (revised), this is recognized as a provision pro rata temporis over the working phase.

Share-based payment

IFRS 2 distinguishes between equity-settled share-based payments and cash-settled share-based payments. For their service, the Management Board and Supervisory Board of WashTec AG receive cash-settled share-based remuneration comprising both components.

In the case of cash-settled share-based remuneration, the resulting liability is recognized at fair value through profit or loss over the period of time in which the service is performed. Fair value is estimated using a suitable option price model. Conditions relating to the WashTec AG share price (market conditions) are included in measurement. Performance-related exercise conditions are also included. The equity-settled share-based payment component is recognized directly in other comprehensive income. Obligations from cash-settled share-based payment are recognized in other liabilities at fair value taking into account the remaining duration of the program. Please see Note 37 for further details.

Leases

A lease is a contract that conveys the right to control the use of an asset (the underlying asset) for a certain period of time in exchange for consideration. For all leases, the Group normally recognizes a right-of-use asset and a lease liability for the lease payments. Leases are recognized as a right-of-use asset and a corresponding lease liability at present value from the time the underlying asset is made available to the Group.

Lease liabilities comprise fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if it is reasonably certain to be exercised and payments of penalties for terminating the lease if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted at the lessee's incremental borrowing rate. The lessee's incremental borrowing rate is determined over various maturities on the basis of a risk-free interest rate plus a margin and a country-specific risk premium. Each lease payment is divided into a principal portion and an interest portion. Interest is recognized in profit or loss over the lease term, resulting for each period in a constant periodic rate of interest on the remaining balance of the liability.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and the estimated cost relating to dismantling obligations.

Most leases are entered into for fixed terms of one to three years. Some leases of office and warehouse buildings are for longer terms. Leases may also include implicit extensions or extension and termination options. The Group makes use of such arrangements to obtain maximum operational flexibility. Either party can exercise the existing extension and termination options. The notice periods agreed for the termination options are sufficient for alternatives to be found in good time where necessary.

When determining the lease term for buildings, Management considers all facts and circumstances that create an economic incentive to exercise any options to extend or not to exercise any option to terminate. The main factors considered are the terms, satisfaction with the working relationship with the lessor and logistical considerations in connection with the Group's forward strategy. If the Group is satisfied with the working relationship and these factors are also expected to be compatible with the corporate strategy looking ahead, it is considered reasonably certain that the leases will be extended/not terminated. Changes in the lease term resulting from the exercise of an option to extend or an option to terminate are only included in the lease term if it is reasonably certain that the option to extend will be exercised or that the option to terminate will not be exercised.

This is reassessed upon the occurrence of any significant event or any significant change in circumstances that affects the previous assessment and is in the control of the lessee. Lease contract terms and conditions are negotiated individually and vary considerably.

In the subsequent measurement of lease liabilities, the carrying amount is increased by the interest expense for the lease liability and reduced by the lease payments made. For potential future increases in variable lease payments that depend on an index or rate, the lease liability and the right-of-use asset are remeasured when the adjustment to the lease payments takes effect.

Right-of-use assets are subsequently measured at amortized cost. They are depreciated on a straight-line basis over the shorter of useful life and lease term. If a purchase option is reasonably certain to be exercised, they are depreciated over the useful life of the asset underlying the lease.

In the case of leases that include an extension or termination option, the lease liability is remeasured and the right-of-use asset adjusted if a significant event or significant change in circumstances occurs that is within the Group's control and was assessed differently on initial measurement.

The Group makes use of the exemptions for short-term leases and for leases of low-value assets that are not short-term leases and recognizes their lease payments on a straight-line basis as an expense in profit or loss. In addition, the provisions of IFRS 16 are not applied to leases of intangible assets.

Please refer to Notes 10, 15 and 29 for information on right-of-use assets, lease liabilities, depreciation and interest expense.

Contract liabilities

The entity's obligations to transfer goods or services to a customer for which the entity has received consideration from the customer are recognized as contract liabilities in the balance sheet (see also section Revenue Recognition). The items presented as contract liabilities in the Group are prepayments on orders and deferred income, which mostly relate to full maintenance, extended guarantees and prepaid service agreements.

Income taxes

The current income tax charge is calculated for the consolidated financial statements on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where subsidiaries operate and generate taxable net income. For tax provisions, the expected tax payment is used as a best estimate. Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Current and deferred taxes are recognized in profit or loss unless tax relates to transactions that are recognized in other comprehensive income.

Deferred taxes are recognized for temporary differences at consolidated entities between IFRS-basis carrying amounts of assets or liabilities and their tax base and for consolidation adjustments in profit or loss.

Deferred tax assets are recognized for unused tax loss carryforwards, unused tax credits and temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses and unused tax credits or temporary differences can be utilized.

Deferred tax liabilities are not recognized for temporary differences arising from the initial recognition of goodwill. Deferred taxes are also not recognized for temporary differences if the temporary differences arise from the initial recognition of an asset or liability in a transaction which at the time of the transaction affects neither IFRS-basis accounting profit (before income taxes) nor taxable profit and which is not a business combination. Deferred taxes are recognized for transactions in which equal deductible and taxable temporary differences arise.

Deferred tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries unless the entity holding the investment is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future ("outside basis differences").

Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority.

Revenue recognition

Revenue is recognized when a performance obligation has been satisfied by transfer of a promised good or promised service to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Performance obligations relating to the sale of equipment, accessories and merchandise are satisfied at a point in time when the promised asset is transferred or the customer obtains control of the asset. This is usually the case on acceptance, shipment or collection of finished products or merchandise or on the installation of equipment.

Performance obligations relating to services are satisfied over a period of time, although on-call service deployments are generally completed in a very short period of time. The payment period usually granted is 30 days.

For financing components, the Group makes use of the practical expedient of not taking into account the effects of a financing component if the period between when the goods or services are transferred and when the customer pays for them is one year or less or if the financing component is not material in both absolute and relative terms.

Performance obligations relating primarily to full maintenance agreements, extended warranties and prepaid service agreements are satisfied over time and presented in contract liabilities. In these cases, the customer simultaneously receives and consumes the benefits provided by the performance as it is performed. The WashTec Group measures progress using an output method based on time elapsed. Satisfaction of the performance obligations depends on the contract terms and is generally on a monthly basis. This ensures that output is determined correctly. The revenue is recognized and billed when performance is completed. Contract liabilities are reversed to profit or loss accordingly. The payment period usually granted is 30 days, although some service agreements are prepaid. WashTec considers an output method to be the most appropriate means of providing a faithful depiction as service deployments do not involve work in progress attributable to the customer.

WashTec also sells equipment to leasing companies that lease it on to customers. This revenue is recognized at the time of the sale.

The revenue corresponds in amount to the transaction price and comprises the amount of consideration to which the WashTec Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding value added tax. Revenue reductions such as rebates, prompt payment discounts or bulk discounts are included as variable consideration if it is highly probable that a reversal of revenue will not occur. This is estimated using the expected value method. Bulk discounts are accounted for as other financial liabilities.

The transaction price is allocated to the individual performance obligations on the basis of the relative stand-alone selling prices. A discount is allocated proportionately to all performance obligations in the contract except when there is observable evidence that the discount relates in whole or part to only one or more, but not all, performance obligations in a contract. As there are no directly observable prices at which the WashTec Group would sell a promised good or promised service separately in similar circumstances and to similar customers, the stand-alone selling price is estimated at contract inception using the expected cost plus a margin approach.

The WashTec Group makes use of the practical expedient of recognizing those costs of obtaining a contract and costs to fulfill a contract directly as expenses when incurred if the amortization period of the asset that would otherwise have been recognized is one year or less. At WashTec, this applies to all such costs.

Cost of sales

Cost of sales comprises the cost of producing or providing sold products and services. In addition to directly attributable material, labor and energy costs, this also includes production and service overheads. Overheads include depreciation of property, plant and equipment and inventory write-downs.

Earnings per share

Earnings per share is calculated by dividing net income by the weighted average number of shares outstanding.

For the calculation of basic earnings per share, the earnings attributable to the holders of ordinary shares in the parent company are divided by the weighted average number of ordinary shares in circulation during the year.

For the calculation of diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted to account for all potentially dilutive shares.

Segment reporting

In accordance with IFRS 8, operating segments are identified using the management approach. Under that approach, external segment reporting is based on the internal group organizational and management structure and on internal reporting to the Management Board as the entity's chief operating decision maker. If the aggregation criteria are met, operating segments are aggregated into reportable segments.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and is subject to risks and generates returns that differ from those of components operating in other economic environments.

6. Significant estimates, assumptions and judgments

In preparing the consolidated financial statements, it is necessary to make certain assumptions, estimates and judgments that may affect the presentation of the net assets, financial position and results of operations. These mainly relate to the determination of economic useful lives, the measurement of provisions, the recoverability of deferred tax assets and the assumptions regarding future cash flows and discount rates. All judgments are continually reassessed and are based in each case on historical experience and current knowledge with regard to future events. Actual amounts may differ from assumptions or estimates. Changes are recognized when better knowledge becomes available and may lead in future periods to adjustments to the carrying amount of the assets or liabilities concerned. There is significant estimation uncertainty in relation to actuarial assumptions, notably for pensions. There are also other estimation uncertainties and judgements that have no material impact on the financial statements.

Impairment of non-financial assets

In connection with impairment testing of goodwill, intangible assets with indefinite useful lives and other non-financial assets, it is necessary to estimate future cash flows from each asset or cash-generating unit in order to determine value in use. An appropriate discount rate must also be determined to obtain the present value of such cash flows. The estimation of future cash flows requires long-term earnings forecasts in light of economic conditions and sectoral development. For further details, please see Note 5.

Depreciation of property, plant and equipment and amortization of intangible assets require estimates and assumptions to be made in order to determine uniform Group-wide economic useful lives and methods of depreciation and amortization.

Impairment of financial assets

In application of the simplified approach for trade receivables without a significant financing component and for trade receivables with a significant financing component, lifetime expected credit losses are determined. For this purpose, trade receivables are grouped based on days past due. The impairment rates are based on credit loss rates over the past three years and are adjusted for forward-looking macroeconomic factors affecting customer solvency.

Deferred tax assets

Deferred tax assets are recognized to the extent that it is probable that sufficient taxable profits will be available against which they can be utilized. Management estimates relate to the amount of taxable net income and the expected timing. For further details, please see Note 16.

Pensions, other post-employment benefits and partial retirement benefits

The costs of pension and partial retirement obligations are determined using actuarial methods. Their actuarial valuation is based on assumptions relating to discount rates, future wage, salary and pension increases and life expectancy. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are provided in Notes 26 and 27.

Share-based payment

Cash-settled share-based payment is recognized at fair value at each balance sheet date. In order to estimate the fair value of share-based payment, the most appropriate valuation method must be determined. This depends on the terms under which the payment is granted. It is also necessary to determine suitable input parameters for the valuation technique, notably volatility of the share price and the risk-free rate of interest for the remaining term. The assumptions and techniques used are shown in Note 37.

Provisions

Provisions for termination benefits and guarantee provisions are recognized on the basis of expectations, estimates of the probability of occurrence, and planned measures. The amount of potential payment obligations is estimated on the basis of an assessment of the situation at the time.

Development costs

Development costs are capitalized in accordance with the accounting policies described in Note 5. Initial recognition of these costs is based on management's assessment of technical and economic feasibility. This is generally the case if a product development project has reached a specific milestone in a predefined project management model.

Notes to the Consolidated Income Statement

7. Segment reporting

The identification of the segments and the choice of figures to present are based on the internal management and reporting system (management approach). Following the sale of the investment in the Chinese subsidiary in December 2023, and in connection with the strategy of focusing on the core regions of Europe and North America as described in the Annual Report 2023, management in its capacity as the chief operating decision maker also made changes to the WashTec Group's segmental management structure. As a result of this, the Asia/Pacific segment has been part of the Europe segment since fiscal year 2024. The Europe segment has been renamed "Europe and other". The North America segment retains its existing structure. Comparative information has also been prepared on the basis of the new structure. The individual segments are controlled on the basis of revenue and EBIT. Segment results consist of income and expenses directly attributable to each reporting segment and to Group charges for Group-wide functions. The Consolidation column contains consolidation adjustments to eliminate transactions in profit or loss between operating segments. This mainly relates to the elimination of intercompany profits from sales of goods. The sum of the reportable segments, after consolidation, corresponds to net income. Transfer prices between individual Group entities are established on an arm's length basis and withstand a third-party comparison. They take into account market-specific and economic conditions in the individual segments. The accounting principles for segment reporting are based on the IFRS accounting principles applied in the consolidated financial statements.

The Group's segments are business units that generate their revenue primarily through the sale of machines, service and chemical products.

By segment 2024 in €k	Europe and other	North America	Consolidation	Group
Revenue	**394,744**	**85,199**	**–3,055**	**476,889**
of which with third parties	391,861	85,028	0	476,889
of which with other segments	2,883	172	–3,055	0
Earnings before interest and taxes (EBIT)	**41,848**	**3,653**	**3**	**45,503**
EBIT margin (in %)	10.6	4.3	–	9.5
Financial income				466
Financial expenses				–3,620
Earnings before taxes (EBT)				**42,348**
Income taxes				–11,322
Net income				**31,026**
Capital expenditure on intangible assets, property, plant and equipment and right-of-use assets	19,232	1,558	0	20,789
Amortization, depreciation and impairment of intangible assets, property, plant and equipment and right-of-use assets	13,010	1,591	0	14,600

By segment 2023 in €k	Europe and other*	North America	Consolidation*	Group
Revenue	**389,986**	**102,885**	**–3,403**	**489,468**
of which with third parties	386,790	102,677	0	489,468
of which with other segments	3,195	208	–3,403	0
Earnings before interest and taxes (EBIT)	**36,172**	**5,709**	**–14**	**41,886**
EBIT margin (in %)	9.3	5.5	–	8.6
Financial income				213
Financial expenses				–3,688
Earnings before taxes (EBT)				**38,411**
Income taxes				–10,439
Net income				**27,972**
Capital expenditure on intangible assets, property, plant and equipment and right-of-use assets	16,057	10,913	0	26,970
Amortization, depreciation and impairment of intangible assets, property, plant and equipment and right-of-use assets	13,278	1,413	0	14,692

**Comparative information prepared on the basis of the modified reporting structure applicable from January 1, 2024.*

The breakdown of consolidated revenue by products is as follows:

in €k	2024	2023
Equipment	261,419	281,384
Service	144,595	137,075
Chemicals	64,714	65,788
Others	6,161	5,221
Total	**476,889**	**489,468**

The North America segment accounted for around 1/5 of equipment revenue in 2024 (prior year: 1/4) and for around 1/5 of service revenue and around 1/10 of chemicals revenue in both 2023 and 2024.

The Group generates approximately 78.6% (prior year: approximately 75.1%) of external sales in European countries. Germany and France account for the majority of total revenue here. After consolidation, Germany accounts for 30.2% (prior year: 25.1%) of consolidated revenue, relating to the products Equipment and Service, Chemicals, Carwash Management Business and Others. France accounts for 12.3% (prior year: 12.9%) of consolidated revenue. External sales outside of Europe are primarily generated in North America and are mostly attributable to the United States. As in the prior year, transactions with one major customer in the Europe and other segment and the North America segment marginally exceeded 10% of total revenue.

The allocation of Group assets to segments is based on their geographical location. Sales to external customers reported in the geographical segments are allocated to segments according to the customers' geographical location. The Group does not have assets in the remaining countries as it does not have any sales companies there. Revenue with other countries is generated through exports to independent dealers.

Analysis of Group assets by geographical location:

2024 in €k	Europe and other	of which Germany	North America	Group
Property, plant and equipment	24,139	20,097	9,859	33,998
Capital expenditure on property, plant and equipment	*3,289*	*2,396*	*237*	*3,526*
Intangible assets including goodwill	54,250	48,310	0	54,250
Capital expenditure on intangible assets	*5,510*	*4,818*	*0*	*5,511*
Right-of-use assets	18,493	8,129	2,312	20,806
Capital expenditure on right-of-use assets	*10,431*	*4,722*	*1,321*	*11,753*

2023 in €k	Europe and other	of which Germany	North America	Group
Property, plant and equipment	24,333	20,015	9,392	33,725
Capital expenditure on property, plant and equipment	*3,392*	*2,076*	*9,467*	*12,859*
Intangible assets including goodwill	50,736	45,325	0	50,736
Capital expenditure on intangible assets	*3,128*	*1,868*	*0*	*3,218*
Right-of-use assets	16,154	7,042	2,259	18,413
Capital expenditure on right-of-use assets	*9,446*	*5,328*	*1,446*	*10,892*

8. Cost of sales, research and development expenses, and selling and administrative expenses

Analysis of cost of sales, research and development expenses, and selling and administrative expenses:

	Cost of sales		Research and development expenses		Selling expenses		Administrative expenses		Total	
in €k	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Cost of materials	196,213	220,591	394	383	14,571	15,779	0	0	211,177	236,753
Personnel expenses	93,490	92,942	10,596	9,683	34,826	34,460	11,634	9,234	150,544	146,319
Depreciation and amortization	10,652	10,894	1,005	953	1,869	1,900	1,075	945	14,600	14,692
Other costs	28,870	28,507	4,517	3,135	12,052	10,313	8,441	8,391	53,879	50,346
Total	**329,224**	**352,934**	**16,511**	**14,154**	**63,317**	**62,452**	**21,150**	**18,570**	**430,201**	**448,110**

Other costs mainly comprise vehicle costs, costs of temporary workers and purchased services, maintenance and energy, and travel expenses. They also include costs of recruitment, professional development, office supplies, communication expenses, local taxes, and patent and storage costs.

Personnel expenses are directly allocated to functions. For a detailed presentation of personnel expenses and the average number of employees by function, please refer to Note 13.

9. Other income and expenses

Other income and other expenses comprise all income and expenses that are not directly attributable to functions.

Other income

in €k	2024	2023
Income from derecognized receivables	7	8
Income from exchange rate differences	1,570	2,387
Income from insurance settlements	387	815
Income from the disposal of non-current assets	141	192
Income from the sale of scrap	770	811
Other income	685	1,146
Total	**3,560**	**5,360**

Other expenses

in €k	2024	2023
Expense from loss allowances on trade receivables (incl. other receivables)	840	40
Expense from exchange rate differences	2,052	2,761
Insurance expenses	1,345	1,247
Losses from the disposal of non-current assets	22	72
Expenses from claims	449	324
Other expenses	38	388
Total	**4,745**	**4,832**

10. Financial result

in €k	2024	2023
Other interest income	391	152
Income from financial instruments	75	62
Financial income	**466**	**213**
Expense from interest-bearing loans	2,558	2,819
Interest expense from discounting lease liabilities	685	368
Other interest expense	377	501
Financial expenses	**3,620**	**3,688**
Financial result	**–3,155**	**–3,475**

Other interest income in the reporting year includes interest of €15k (prior year: €84k) relating to tax refunds.

Other interest expense includes interest of €34k (prior year: €141k) for the discounting of trade receivables.

Of the interest income and interest expense, a total of €–2,469k (prior year: €–3,064k) is classified in the categories financial assets at amortized cost (AC), financial liabilities at amortized cost (FLAC) and financial assets or liabilities at fair value through profit or loss (FVthP/L).

Analysis of interest income and interest expenses by IFRS 9 categories:

in €k	IFRS 9 category	2024	2023
Interest income	AC	376	152
	FLAC	14	0
	FVthP/L	75	62
Interest expense	AC	304	3
	FLAC	2,631	3,317

11. Income taxes

The income taxes item relates to both current and deferred taxes.

The table below shows a reconciliation of expected to actual income taxes. To calculate the expected tax expense, earnings before taxes were multiplied by the Group tax rate of 32.2% (prior year: 32.2%). This is based on the tax rate for the parent company. The WashTec Group's effective tax rate is 26.7% (prior year: 27.2%).

in €k	2024	2023
Expected income taxes	13,653	12,384
Differences from foreign tax rates	–1,372	–1,160
Non-deductible expenses	1,154	940
Non-recognition of deferred taxes on temporary differences and tax loss carryforwards	0	103
Utilization of loss carryforwards from for which no deferred tax assets recognized	–657	–896
Reversal of impairment on deferred tax on temporary differences and tax loss carryforwards	–666	–27
Adjustment for taxes from prior years	–894	–944
Other	103	39
Total	**11,322**	**10,439**

Income taxes consist of the following:

in €k	2024	2023
Current tax expense	11,628	10,055
Deferred tax expense	–306	384
Total	**11,322**	**10,439**

In the fiscal year under review, €1,038k (prior year: €1,118k) was refunded by tax authorities in Germany and internationally and recognized in current tax expense.

12. Earnings per share

Calculation of basic earnings per share for 2024 and 2023:

		2024	2023
Net income	in €k	31,026	27,972
Weighted average number of shares outstanding	units	13,382,324	13,382,324
Earnings per share (basic = diluted)	**in €**	**2.32**	**2.09**

The Management Board and Supervisory Board will recommend to the Annual General Meeting, which is due to be held on May 13, 2025, to appropriate the distributable profit of €33,950,773.69 shown in the Company's annual financial statements for fiscal year 2024 as follows: Payment of a dividend in the amount of €2.40 per eligible share, totaling €32,117,577.60, with the remaining distributable profit of €1,833,196.09 to be carried forward.

13. Personnel expenses

Personnel expenses were recognized as follows:

in €k	2024	2023
Wages and salaries	126,569	123,746
Social security contributions	11,766	10,573
Employer share of statutory and voluntary pension insurance (defined contribution)	9,574	9,417
Pension and partial retirement	2,635	2,583
Total	**150,544**	**146,319**

Personnel expenses include one-off expenses in connection with the change of CEO.

The average number of employees by function is as follows:

Average number of employees	2024	2023
Sales, marketing and servicing	1,001	1,033
Production, technology and development	545	567
Finance and administration	169	169
Total	**1,715**	**1,768**

Notes to the Consolidated Balance Sheet

14. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets changed as follows:

in €k	Cost							Depreciation and amortization							Carrying amount	
	Jan 1, 2024	Changes in consolidated group	Additions	Disposals	Reclassifi-cations	Currency translation effects	Dec 31, 2024	Jan 1, 2024	Changes in consolidated group	Additions	Disposals	Reclassifi-cations	Currency translation effects	Dec 31, 2024	Jan 1, 2024	Dec 31, 2024
Land, land rights and buildings	**57,349**	0	648	0	468	702	**59,167**	**35,613**	0	853	–47	0	129	**36,642**	21,736	22,525
Technical plant and machinery	**33,693**	0	1,289	937	87	–69	**34,063**	**24,811**	0	1,802	917	0	–34	**25,662**	8,882	8,401
Other plant, fixtures and fittings	**15,520**	4	1,256	1,883	0	154	**15,051**	**13,014**	0	1,015	1,821	0	150	**12,358**	2,506	2,694
Prepayments and construction in progress	**601**	0	330	0	–555	3	**379**	**0**	0	0	0	0	0	**0**	601	379
Property, plant and equipment	**107,163**	**4**	**3,522**	**2,819**	**0**	**791**	**108,660**	**73,438**	**0**	**3,670**	**2,692**	**0**	**246**	**74,662**	**33,725**	**33,998**
Internally generated development costs	**25,094**	0	1,924	0	0	–22	**26,995**	**19,884**	0	1,127	0	0	–22	**20,989**	5,210	6,006
Licenses and software acquired	**17,783**	0	1,911	192	188	1	**19,692**	**16,269**	0	731	191	0	1	**16,810**	1,514	2,882
Patents, technologies and other intangible assets	**3,935**	0	0	0	0	–58	**3,877**	**3,595**	0	67	0	0	–41	**3,621**	340	257
Goodwill	**85,061**	650	0	0	0	1,121	**86,831**	**41,772**	0	0	0	0	1,175	**42,947**	43,289	43,884
Prepayments and development projects in progress	**383**	0	1,027	0	–188	0	**1,222**	**0**	0	0	0	0	0	**0**	383	1,222
Intangible assets (incl. Goodwill)	**132,256**	**650**	**4,861**	**192**	**0**	**1,041**	**138,616**	**81,520**	**0**	**1,924**	**191**	**0**	**1,112**	**84,366**	**50,736**	**54,250**
Total fixed assets	**239,419**	**653**	**8,383**	**3,011**	**0**	**1,833**	**247,277**	**154,958**	**0**	**5,595**	**2,882**	**0**	**1,358**	**159,028**	**84,461**	**88,248**

in €k	Cost							Depreciation and amortization							Carrying amount	
	Jan 1, 2023	Changes in consolidated group	Additions	Disposals	Reclassifi-cations	Currency translation effects	Dec 31, 2023	Jan 1, 2023	Changes in consolidated group	Additions	Disposals	Reclassifi-cations	Currency translation effects	Dec 31, 2023	Jan 1, 2023	Dec 31, 2023
Land, land rights and buildings	**47,724**	−384	9,945	20	186	−102	**57,349**	**35,198**	−385	923	20	0	−103	**35,613**	12,526	21,736
Technical plant and machinery	**33,795**	−312	1,548	2,546	1,380	−173	**33,693**	**25,412**	−276	2,134	2,479	170	−150	**24,811**	8,383	8,882
Other plant, fixtures and fittings	**16,683**	−228	769	1,430	−68	−206	**15,520**	**13,648**	−202	1,143	1,391	0	−184	**13,014**	3,035	2,506
Prepayments and construction in progress	**1,325**	−1	560	2	−1,252	−28	**601**	**0**	0	0	0	0	0	**0**	1,325	601
Property, plant and equipment	**99,527**	**−925**	**12,821**	**3,997**	**246**	**−510**	**107,163**	**74,258**	**−864**	**4,200**	**3,890**	**170**	**−437**	**73,438**	**25,268**	**33,725**
Internally generated development costs	**23,476**	0	1,616	0	0	2	**25,094**	**19,026**	0	813	0	43	2	**19,884**	4,450	5,210
Licenses and software acquired	**17,724**	−146	247	75	44	−11	**17,783**	**15,607**	−141	931	75	−43	−10	**16,269**	2,116	1,514
Patents, technologies and other intangible assets	**3,600**	339	0	0	0	−3	**3,935**	**3,596**	0	4	0	0	−4	**3,595**	4	340
Goodwill	**84,740**	974	0	0	0	−654	**85,061**	**42,429**	0	0	0	0	−657	**41,772**	42,312	43,289
Prepayments and development projects in progress	**462**	0	41	0	−120	0	**383**	**0**	0	0	0	0	0	**0**	462	383
Intangible assets (incl. Goodwill)	**130,001**	**1,168**	**1,905**	**75**	**−76**	**−667**	**132,256**	**80,657**	**−141**	**1,748**	**75**	**0**	**−669**	**81,520**	**49,344**	**50,736**
Total fixed assets	**229,528**	**243**	**14,726**	**4,072**	**170***	**−1,177**	**239,419**	**154,916**	**−1,005**	**5,948**	**3,965**	**170***	**−1,106**	**154,958**	**74,612**	**84,461**

** the counter-item results from transfers in connection with right-of-use assets*

Intangible assets

Intangible assets amounted to €10,366k (prior year: €7,447k). Of the additions to intangible assets, €1,500k related to software acquired under a cooperation agreement to advance the digitalization of the product portfolio.

Research and development costs in the amount of €2,961k (prior year: €1,688k) were not capitalized as the criteria for capitalization under IAS 38 were not met.

There were no material contractual commitments for purposes such as the acquisition of property, plant and equipment or intangible assets.

Goodwill

The total goodwill with a carrying amount of €43,884k (prior year: €43,289k*) is allocated in accordance with IFRS 8 to the Europe and other operating segment. The increase in goodwill is due to the acquisition of the Polish sales partner, Mayco-WashTec Sp. z o.o.; for details, please refer to Note 3.

The goodwill allocated to the operating segments is routinely tested for impairment by determining value in use.

In accordance with the approach described in Note 5, Accounting policies, goodwill is tested for impairment on the basis of the Group-level planning for 2025 through 2029.

Planning is primarily based on the following assumptions based on the longstanding experience of management and the medium-term strategies for the individual markets. Management had further information from external market studies. The core assumptions are as follows:

- Revenue growth averaging approximately 3.7% p.a. (prior year: 4.7% p.a.)
- Cost increases of 2–3% p.a., as in the prior year
- Wage and salary cost increases of approximately 2–4% p.a., as in the prior year

Assumptions made for discounting purposes were a pre-tax discount rate of 9.2% (prior year: 9.6%) and a long-term growth rate in perpetuity of 0% (prior year: 1.0%).

The discount rate is based on a weighted cost of debt of 4.4% (prior year: 4.0%), the weighted cost of equity and the capital structure. The cost of equity is based on a risk-free rate of return averaging 2.8% (prior year: 2.2%) and a beta of 1.0 (prior year: 1.3).

No indications of impairment were identified for goodwill in the WashTec Group in the reporting year. Nor would a 50 basis point increase in the discount rate and a 20% reduction in the future cash flows result in recognition of an impairment loss.

In line with the change in the reporting structure as of January 1, 2024, the prior-year figure is allocated in full to the Europe and other segment.

15. Right-of-use assets

The recognized leases primarily relate to rented buildings and leasing of service vehicles. They are included in right-of-use assets for other equipment, furniture and fixtures, and office equipment.

The table below shows the right-of-use assets recognized for leased assets:

in €k	Dec 31, 2024	Dec 31, 2023
Right-of-use assets – land and buildings	10,809	10,834
Right-of-use assets – other plant, fixtures and fittings	9,760	7,136
Right-of-use assets – machinery	237	442
Total	**20,806**	**18,413**

Additions to right-of-use assets in the fiscal year amounted to €11,753k (prior year: €10,892k) and disposals and reclassifications to €–414k (prior year: €–957k). Currency translation effects account for €60k (prior year €–115k).

Depreciation of right-of-use assets is made up as follows:

in €k	2024	2023
Right-of-use assets – land and buildings	3,702	3,928
Right-of-use assets – other plant, fixtures and fittings	5,082	4,532
Right-of-use assets – machinery	222	283
Total	**9,006**	**8,744**

Please see Note 29 for further information on lease liabilities.

16. Deferred Taxes

There are deferred tax assets in the amount of €4,604k (prior year: €3,478k) and deferred tax liabilities in the amount of €2,249k (prior year: €1,741k) relating to temporary differences.

Deferred tax liabilities are not recognized for outside basis differences as the entity holding the investment is able to control the timing of the reversal of the temporary differences and it is not probable that the temporary differences will reverse in the foreseeable future. The tax base of the unrecognized deferred tax liabilities is €2,132k (prior year: €1,476k).

Loss carryforwards and temporary differences have been recognized as deferred tax assets to the extent it is probable that the loss carryforwards or the temporary differences will be utilized on the basis of the internal planning for 2025 through 2029.

To the extent that it is not probable that loss carryforwards will be able to be utilized against future taxable net income, no deferred tax assets are recognized for them. Deferred tax assets were therefore not recognized in the reporting year in relation to loss carryforwards in the amount of €458k (prior year: €3,710k) and temporary differences in the amount of €4,772k (prior year: €6,038k). This corresponds to €94k (prior year: €942k) in deferred tax assets not recognized for loss carryforwards and €1,200k (prior year: €1,520k) in deferred tax assets not recognized for temporary differences.

Some of the loss carryforwards have no time restrictions with regard to their utilization. Loss carryforwards in the amount of €1,000k have time restrictions with regard to utilization. Of this total, €330k will expire between 2025 and 2032 and €670k will expire between 2034 and 2038 if they cannot be utilized.

The deferred tax assets and liabilities relate, prior to offsetting, to the following material balance sheet items:

in €k	Deferred tax assets		Deferred tax liabilities	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Tax loss carryforwards	258	248	–	–
Property, plant and equipment	226	329	–1,285	–1,220
Goodwill	0	0	–953	–967
Intangible assets	9	0	–2,420	–1,680
Right-of-use assets	34	0	–5,392	–4,443
Inventories	2,604	2,077	–27	–169
Trade receivables (incl. other receivables)	349	293	–83	–6
Other assets	18	4	–383	–308
Non-current interest bearing loans	0	0	0	–133
Lease liabilities	5,565	4,508	0	0
Provisions	1,915	1,755	–64	0
Other liabilities	1,416	881	–260	–2
Contract liabilities	828	570	0	0
Total	**13,223**	**10,665**	**–10,868**	**–8,928**

Deferred tax assets and liabilities totaling €8,619k (prior year: €7,187k) were offset in accordance with the offsetting rules in IAS 12. The deferred tax relating to goodwill results from tax amortization of goodwill recognized in an asset deal.

€208k (prior year: €–72k) in deferred taxes were recognized in other comprehensive income in the reporting year. The aggregate amount of deferred taxes recognized in other comprehensive income is consequently €1,430k (prior year: €1,222k).

The Group is not subject to global minimum taxation under the Pillar Two model rules as the thresholds have not been exceeded.

The following table shows the income and expenses recognized in other comprehensive income together with the related changes in deferred taxes:

in €k	Dec 31, 2024			Dec 31, 2023		
	Change before tax	Change in deferred taxes	Change after tax	Change before tax	Change in deferred taxes	Change after tax
Adjustment item for currency translation of foreign subsidiaries	1,855	0	1,855	–1,229	0	–1,229
Exchange differences on net investments in subsidiaries	–195	0	–195	139	0	139
Changes in actuarial gains and losses	–667	212	–455	318	–75	243
Change in share-based payment	–55	0	–55	–27	0	–27
Fair value of derivative financial instruments used for hedging purposes	13	–4	9	–9	3	–6
Changes recognized in other comprehensive income (OCI)	**951**	**208**	**1,159**	**–808**	**–72**	**–880**

17. Inventories

in €k	Dec 31, 2024	Dec 31, 2023
Raw materials, consumables and supplies, including merchandise	29,139	28,917
Work in progress	20,476	21,287
Finished goods	5,129	4,228
Prepayments	321	334
Total	**55,065**	**54,766**

Additions to write-downs on inventories came to €1,045k in the reporting year (prior year: €1,375k). The expense recognized in cost of sales amounted to €159,857k (prior year: €181,943k).

18. Tax receivables

in €k	Dec 31, 2024	Dec 31, 2023
Current tax receivables	5,800	16,640
Total	**5,800**	**16,640**

The tax receivables are primarily claims against the German tax authorities based on deductible amounts of investment withholding tax and the German solidarity surcharge and on corporate income tax and trade tax.

19. Trade and other receivables

in €k	Dec 31, 2024	Dec 31, 2023
Non-current trade receivables	236	209
Other non-current receivables	2,046	3,904
Current trade receivables	76,327	67,416
Other current receivables	1,816	777
Total	**80,424**	**72,306**

The payment period usually granted for current trade receivables is 30 days. Non-current trade receivables relate to long-term payment arrangements with customers. Some trade receivables have been reclassified to other receivables in the total amounts shown. This relates to the agreement of payment plans for part of the trade receivables due to difficult financial situations at individual customers.

The gross carrying amounts of trade and other receivables increased, mainly due to the strong business performance in the fourth quarter, to a total of €85,323k (prior year: €76,115k). This includes €1,105k (prior year: €586k) in gross carrying amounts on credit-impaired trade and other receivables as of the reporting date. The gross carrying amounts, likewise included in the total, of trade and other receivables for which loss allowances are measured at an amount equal to the lifetime expected credit losses are as follows:

in €k							
Year	Not past due	Over 30 days past due	Over 60 days past due	Over 120 days past due	Over 180 days past due	Over 365 days past due	Total
Dec 31, 2024	71,742	4,229	3,677	1,324	2,784	1,530	**84,218**
Dec 31, 2023	64,659	3,209	2,559	850	3,188	1,064	**75,529**

As in the previous year, all other receivables are not past due. The average expected credit loss rates for trade receivables used as the basis for impairment are 0.5% for receivables not past due, 3.3% for receivables 30-60 days past due, 14.6% from 60-120 days, 40.4% from 120-180 days, 75.8% from 180-365 days and 100% for receivables more than 365 days past due.

Impairments of trade and other receivables are as follows:

in €k	2024	2023
As of January 1	**3,810**	**4,481**
Changes in consolidated group	0	–147
Change in impairment for credit losses recognized in profit or loss	1,733	548
Amounts written off as uncollectible in the fiscal year	–479	–352
Unused amount reversed	–164	–720
As of December 31	**4,899**	**3,810**

The increase in impairments mainly relates to credit-impaired other receivables. Impairments of €1,472k (prior year: €392k) relate to other receivables.

20. Other assets

in €k	Dec 31, 2024	Dec 31, 2023
Other non-current financial assets	416	201
Other non-current non-financial assets	576	556
Other current financial assets	1,385	1,643
Other current non-financial assets	2,844	2,170
Total	**5,221**	**4,570**
of which non-financial prepaid expenses	*2,421*	*1,703*

Other current financial assets mainly consist of creditors with debit balances and of security deposits. The deferred expenses included in current non-financial assets in the amount of €2,421k (prior year: €1,703k) relates to deferrals of prepaid maintenance fees and advance payments of insurance premiums.

Other non-current financial receivables (prior year: other non-current financial liabilities) include interest rate swaps at fair value (December 31, 2024: €4k; prior year: €–9k).

21. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances, at banks with investment grade ratings, that have a term of up to three months from the date of acquisition. Bank balances bear variable interest in the case of sight deposits. There was no objective evidence of impairment for any cash and cash equivalents in the reporting year.

The carrying amount of the cash and cash equivalents is €19,512k (prior year: €16,673k) and approximates their fair value.

The cash flow statement shows how cash funds held by the WashTec Group changed in the reporting year. Cash flows are classified for this purpose in accordance with IAS 7 as cash flow from operating activities, cash flow from investing activities and cash flow from financing activities.

For the purposes of the consolidated cash flow statement, cash funds comprise the following as of the end of the year:

in €k	Dec 31, 2024	Dec 31, 2023
Cash and cash equivalents	19,512	16,673
Overdrafts	–38,998	–32,287
Cash funds	**–19,486**	**–15,614**

For the purposes of the consolidated cash flow statement, lease liabilities changed as follows:

in €k	2024	2023
As of January 1	**19,439**	**18,102**
Repayment of lease liabilities	–9,019	–8,372
Assumption of lease liabilities	11,753	10,627
Disposal of lease liabilities	–414	–682
Adjustment item from currency translation	76	–237
Other changes		
Interest expense from discounting lease liabilities (presented as operating cash flow)	685	368
Interest paid	–685	–368
As of December 31	**21,834**	**19,439**

The cash change in lease liabilities amounts to €9,704k (prior year: €8,740k); the non-cash change amounts to €12,100k (prior year: €10,077k).

For information regarding interest-bearing loans, see Note 28. For the interest expense from discounting lease liabilities, please see Note 10.

Equity

22. Subscribed capital

The subscribed capital of WashTec AG is €40,000k. It is divided into 13,976,970 (prior year: 13,976,970) no-par-value bearer shares and is fully paid up. Each share has one voting right and is eligible for dividends in proportion to its share of the share capital. For treasury shares held by WashTec, all rights are suspended until the shares are reissued.

	Dec 31, 2024	Dec 31, 2023
Ordinary shares (thousand)	13,977	13,977
Share capital per share (€)	2.86	2.86

As of December 31, 2024, the average weighted number of issued and outstanding shares was 13,382,324 (prior year: 13,382,324 shares).

The Annual General Meeting of May 14, 2024 resolved, among other things, for the distributable profit of €30,073,713.43 shown in the Company's annual financial statements for fiscal year 2023 to be appropriated for payment of a dividend of €2.20 per eligible no-par value share, totaling €29,441,112.80, and for the remaining distributable profit of €632,600.63 to be carried forward. The dividend was paid on May 16, 2024.

Authorized capital

By resolution of the Annual General Meeting of May 16, 2022, which is available in the Investor Relations section of the Company website at *www.washtec.de*, the Authorized Capital under subsection 5.1 of the Articles of Association resolved as agenda item 7 of the Annual General Meeting of April 29, 2019 was revoked. At the same time, the Management Board was authorized, subject to the consent of the Supervisory Board, to increase the registered share capital on one or more occasions on or before June 30, 2025 by a total amount of up to €8,000,000 (Authorized Capital) by issuing new no-par-value bearer shares in exchange for cash and/or non-cash contributions. The shareholders must be granted preemptive rights in this connection unless otherwise stipulated.

The Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the preemptive rights of shareholders:

- for fractional amounts;
- if the new shares are issued in exchange for a non-cash contribution, including in connection with the acquisition of companies, parts of companies or interests in companies;
- in the event of capital increases in exchange for cash contributions if at the time of the final fixing of the issue price by the Management Board the issue price of the new shares is not significantly lower, within the meaning of section 203 (1) and (2) and section 186 (3) sentence 4 AktG, than the stock market price of existing publicly listed shares of the same class and with the same features, and the pro rata amount of the share capital attributable in total to the new shares on which preemptive rights are excluded does not exceed 10% at the time the authorization becomes effective or, if the pro rata amount is then lower, at the time the authorization is exercised;
- to the extent necessary in order to grant the holders of warrant-linked and/or convertible bonds issued by the Company or its subsidiaries a right to subscribe for new shares in the scope to which they would be entitled if they exercised their warrant or conversion right or fulfilled their conversion or warrant obligations.

The pro rata amount of the share capital attributable to shares issued against cash or non-cash contributions under the above stipulations with shareholders' preemptive rights excluded may not exceed a total of 10% of the Company's share capital at the time of the resolution by the Annual General Meeting. To be deducted from this amount – subject to any further authorization to exclude shareholders' preemptive rights that may be resolved by a subsequent Annual General Meeting – are those shares which are issued during the term of the Authorized Capital under another authorization with shareholders' preemptive rights excluded or to which warrant-linked or convertible bonds with conversion or warrant rights or with conversion or warrant obligations relate that are issued during the term of the Authorized Capital with shareholders' preemptive rights excluded.

The Management Board is authorized, subject to the consent of the Supervisory Board, to stipulate further details concerning the capital increase and its implementation, including the features of the share rights and the terms and conditions of issue.

The Supervisory Board is authorized to revise the text of the Articles of Association after full or partial implementation of the capital increase from Authorized Capital.

23. Capital reserves

Capital reserves primarily consist of the contribution of California Kleindienst Holding GmbH to the capital of WashTec AG as of January 1, 2000 in the amount of €26,828k, and €18,019k, less €1,774k in costs relating to capital increases, from the premium paid in connection with the capital increase in August 2005. In 2009, capital reserves were reduced by €9,464k due to the retirement of treasury shares.

24. Treasury shares

As in the prior year, WashTec AG held treasury shares in the amount of €13,177k as of December 31, 2024. This corresponds to 594,646 shares or 4.25%. The treasury shares were acquired in fiscal years 2012, 2013 and 2015.

Purchase and use of treasury shares

Unless expressly permitted by law, the Company cannot acquire or make use of treasury shares except with authorization from the Annual General Meeting. It was resolved at the Annual General Meeting of May 16, 2022 to revoke the prior authorization and to grant the Company renewed authorization to purchase and make use of treasury shares. The resolution of the Annual General Meeting is available in the Investor Relations section of the Company website at *www.washtec.de*.

Authorization to acquire treasury shares

The Company is authorized pursuant to section 71 (1) 8 AktG, on or before June 30, 2025 and for purposes other than to trade in the Company's own shares, to acquire the Company's own shares in the amount of up to 10% of the share capital at the time of the resolution or – if lower – at the time the authorization is exercised.

The Management Board may opt to acquire such shares on the stock exchange, by means of a public purchase offer to all shareholders or by means of a public invitation directed at all shareholders to tender shares for sale.

If the shares are acquired on the stock exchange, the consideration per share paid by the Company (excluding incidental acquisition costs) may not be more than 10% higher or lower than the average stock exchange price of the Company's shares in the XETRA closing auction (or a comparable successor system) on Frankfurt Stock Exchange over the last five trading days prior to the acquisition of the shares.

If the shares are acquired by means of a public purchase offer to all shareholders or by means of a public invitation directed at all shareholders to tender shares for sale, the purchase price offered or the limits of the purchase price range per share (excluding incidental acquisition costs) may not be more than 10% higher or lower than the average stock exchange price of the Company's shares in the XETRA closing auction (or a comparable successor system) on Frankfurt Stock Exchange over the last five trading days prior to the date of the public announcement of the offer or of the public invitation to tender shares for sale.

If the public offer is oversubscribed, or if not all of a plurality of equivalent offers are accepted in the case of an invitation to tender shares for sale, then acceptance must be based on quotas. Provision may be made for preferential acquisition or preferential acceptance of small quantities of up to 100 shares in the Company offered for acquisition per shareholder. Additional conditions may be stipulated in the public offer or in the invitation to tender shares.

Use of treasury shares; exclusion of shareholders’ preemptive rights

Other than by way of sale on the stock exchange or by way of an offer to all shareholders, the Management Board is authorized, subject to the consent of the Supervisory Board, to make use of treasury shares acquired on the basis of the authorization granted at the Annual General Meeting on May 16, 2022 or on the basis of a previously granted authorization as follows:

They may

- be offered and transferred to third parties as consideration in connection with the direct or indirect acquisition of companies, parts of companies or interests in companies or in connection with business combinations;
- be used to service options issued in a stock option program to members of the management of companies affiliated with the Company and to employees of the Company or of companies affiliated with the Company; or
- be used in other ways provided that the Company’s treasury shares are utilized against cash payment and at a price that is not significantly lower than the stock exchange price of the Company’s shares at the time of disposal. This authorization is additionally restricted to shares with a pro rata amount of the share capital that may not exceed a total of 10% of the share capital at the time the authorization becomes effective or, if lower, at the time the authorization is exercised.

The Supervisory Board is authorized to use the treasury shares acquired on the basis of this authorization to service options issued in a stock option program to members of the Management Board of the Company.

The aforementioned authorizations for use other than by way of sale on the stock exchange or by way of an offer to all shareholders may be exercised in whole or in part and on one or more occasions. The use made may be for one or more of the aforementioned purposes. Shareholders’ preemptive rights to treasury shares are excluded to the extent that, in accordance with the above authorizations, the shares are used other than by way of sale on the stock exchange or by way of an offer to all shareholders.

To the extent that shares are used, with shareholders’ preemptive rights excluded, to service options issued in a stock option program to members of the Management Board of the Company, to members of the management of companies affiliated with the Company and to employees of the Company or of companies affiliated with the Company, use may only be made of the authorization up to a total maximum amount of 5% of the share capital at the time of the resolution by the Annual General Meeting. To be deducted from this 5% limit is the pro rata share of the share capital attributable to shares issued or sold in exchange for cash or non-cash contributions during the term of the authorization or under another authorization, with shareholders’ preemptive rights excluded, to members of the Management Board of the Company, to members of the management of companies affiliated with the Company and to employees of the Company or of companies affiliated with the Company.

Cancellation of treasury shares

The Management Board is authorized, subject to the consent of the Supervisory Board, to cancel shares acquired on the basis of the above authorization or a previously granted authorization, in whole or in part, without the cancellation or its execution requiring a further resolution of the Annual General Meeting. Cancellation results in a reduction in capital. In departure from this, the Management Board may stipulate that instead of a reduction in capital, the pro rata share of the share capital attributable to each remaining share is increased. In this event, the Management Board is authorized to revise the number of shares in the Company’s Articles of Association.

Utilization in partial amounts

All of the aforementioned authorizations may be exercised by the Company in whole or in part, on one or more occasions, and for one or more purposes. The authorizations – with the exception of the authorization to cancel treasury shares – may also be exercised by subsidiaries of the Company or by third parties for the account of the Company or for the account of subsidiaries of the Company. The authorizations for the use of treasury shares, for the exclusion of subscription rights and for the cancellation of treasury shares also include the use of shares in the Company acquired on the basis of section 71d sentence 5 AktG.

25. Other reserves and currency translation effects

in €k	Jan 1, 2024	Change in income and expenses recognized in other comprehensive income	Change in deferred taxes	Change in share-based payment	Dec 31, 2024
Exchange differences on net investments in subsidiaries	–1,555	–195	0	0	–1,750
Actuarial gains/losses	–2,587	–667	212	0	–3,041
Share-based payment	107	0	0	–55	52
Fair value of derivative financial instruments used for hedging purposes	–6	13	–4	0	3
Other reserves	**–4,041**	**–849**	**208**	**–55**	**–4,737**
Currency translation effects	207	1,853	0	0	2,060
Total	**–3,834**	**1,004**	**208**	**–55**	**–2,677**

in €k	Jan 1, 2023	Change in income and expenses recognized in other comprehensive income	Change in deferred taxes	Change in share-based payment	Dec 31, 2023
Exchange differences on net investments in subsidiaries	–1,694	139	0	0	–1,555
Actuarial gains/losses	–2,830	318	–75	0	–2,587
Share-based payment	134	0	0	–27	107
Fair value of derivative financial instruments used for hedging purposes	0	–9	3	0	–6
Other reserves	**–4,390**	**448**	**–72**	**–27**	**–4,041**
Currency translation effects	1,448	–1,241	0	0	207
Total	**–2,942**	**–793**	**–72**	**–27**	**–3,834**

Please refer to Notes 26, 32 and 37 for further information on the items shown.

26. Provisions for pensions

The provisions relate mainly to WashTec Cleaning Technology GmbH and WashTec Holding GmbH, Augsburg, Germany, and have been recognized in order to reflect obligations, arising from future and current benefit entitlements, to current and former employees and their surviving dependents. The pension plan provides for retirement benefits (from the age of 63), early retirement benefits and invalidity benefits. Employees must have served the Company for at least 10 years in order to be entitled to the benefits, with years of service taken into account only after an employee has reached the age of 30. The monthly retirement benefits are calculated by multiplying a fixed amount by the number of qualifying years of service. There are also individual contractual arrangements.

The amount of the provision was determined using actuarial methods at a discount rate of 2.90% (prior year: 3.45%). The annual salary and cost-of-living increases were measured at 2.0% (prior year: 2.0%). The anticipated return from reimbursement claims due to the existing liability insurance policies amounts to 2.90% (prior year: 3.45%). The Prof. Dr. Klaus Heubeck 2018 G mortality tables were used as the biometrical basis of calculation. The probable rate of employee turnover was estimated on an age and gender-specific basis.

The number of pension beneficiaries as of December 31, 2024 was 209 employees (prior year: 219 employees), and the total number of all persons to whom there is a pension commitment is 281 employees (prior year: 290 employees). The new valuations include the effects of experience adjustments in the amount of €–431k (prior year: €47k).

All actuarial gains and losses have been recognized in other comprehensive income. Actuarial gains and losses before deferred taxes €–668k (prior year: €318k) were recognized in other reserves in the fiscal year under review. In total, actuarial gains and losses of €–4,534k (prior year: €–3,867k) have been recognized in other comprehensive income as of December 31, 2024.

The present value of the defined benefit obligation developed as follows in fiscal years 2023 and 2024:

in €k	2024	2023
As of January 1	8,113	8,528
Pensions paid	–635	–456
Service cost for the reporting period	158	107
Interest expense	260	250
Actuarial gains and losses	668	–316
As of December 31	**8,564**	**8,113**

Details of changes in actuarial gains and losses:

in €k	Provisions for pensions at present value	Reimbursement rights at fair value	Total
Gains and losses from changes in demographic assumptions	1	0	1
Gains and losses from changes in financial assumptions	98	0	98
Gains and losses from portfolio changes	569	0	569
Total	**668**	**0**	**668**

The claims against the relief fund and the pension liability insurance taken out on the lives of the beneficiary employees are of a reimbursement nature.

Pension obligations are covered exclusively by pension liability insurance. There is no investment in real estate, equities or similar. The development of reimbursement rights is shown in the following table:

in €k	2024	2023
Fair value of reimbursement rights as of January 1	557	538
Expected return	20	19
Fair value of reimbursement rights as of December 31	**577**	**557**

Sensitivity analysis for pension obligations in accordance with IAS 19

Risks under pension obligations mostly arise from an increase in the life expectancy of pension beneficiaries and changes in the discount rate, which lead to a decrease in the pension provision.

The following table shows the sensitivities (calculated on the basis of the projected unit credit method) in relation to current assumptions regarding potential changes in discount rates, cost-of-living increases and life expectancy. All other variables are held constant. The assumptions and methods used in the sensitivity analysis have not changed compared to the prior year.

		Effect on the defined benefit obligation (DBO)	
Assumptions	**Changes**	**2024**	2023
Life expectancy	Increase by one year	5.6%	5.4%
Increase in living costs	Increase by 0.25%	1.4%	1.6%
Interest rate	Increase by 0.25%	–1.8%	–1.9%
Interest rate	Decrease by 0.25%	1.9%	1.9%

The average remaining duration of the pension obligations is approximately 8 years (prior year: approximately 8 years).

The table below shows the expected payments for pension benefits:

in €k	< 1 year	1–5 years	> 5 years	Total
Pension benefits	653	2,653	6,913	10,219

27. Other provisions

in €k	Jan 1, 2024	Additions	Utilization	Reversals	Interest effects	Exchange rate effects	Changes in consolidated group	Dec 31, 2024	of which current	of which non-current	Provisions Dec 31, 2023	
											of which current	of which non-current
Partial retirement	2,409	492	–674	0	0	0	0	2,227	990	1,237	788	1,621
Warranty	6,963	5,678	–4,838	–1,303	0	10	0	6,511	6,429	82	6,879	85
Contracts with rights of return	1,192	19	–505	0	0	0	0	706	418	288	610	581
Legal and consulting fees	1,490	420	–638	–201	0	1	0	1,073	1,073	0	1,490	0
Termination benefits	1,778	226	–457	–224	0	–2	0	1,321	1,321	0	1,778	0
Other	481	350	–47	–124	0	0	0	660	244	416	96	385
Total Dec 31, 2024	**14,312**	**7,186**	**–7,157**	**–1,852**	**0**	**9**	**0**	**12,498**	**10,474**	**2,024**	**–**	**–**
Total Dec 31, 2023	**12,286**	**9,681**	**–6,061**	**–1,499**	**48**	**–48**	**–94**	**14,312**	**–**	**–**	**11,641**	**2,671**

The provision for partial retirement was measured in accordance with IAS 19 (revised). The calculation was based on an interest rate of 2.70% (prior year: 3.7%) and annual salary increases of 2.25% (prior year: 2.25%).

The provision for warranty obligations is recognized based on experience. The assumptions used in calculating the provision for warranty obligations are based on current sales levels and currently available information on repairs and returns of sold products during the warranty period. It is expected that these costs will be incurred during the warranty period after the reporting date.

The provision for contracts with rights of return comprises the expected expenses from contractual obligations to take back equipment previously sold to leasing companies. The contract on which this obligation is based expired in 2021. The amounts currently recognized in the provision mainly relate to the ongoing execution of the transactions entered into. In general, these obligations are secured by bank guarantees.

The provisions for legal and consultancy fees mainly relate to outstanding legal disputes and outstanding expenses from consulting agreements.

The provision for termination benefits relates to measures for workforce reductions.

The other provisions totaling €660k (prior year: €481k) mainly relate to provisions for potential claims in the amount of €416k (prior year: €384k).

28. Interest-bearing loans

The WashTec Groups financing is based on bilateral agreements with various banks. The borrower is WashTec Cleaning Technology GmbH and has credit lines totaling €99,253k (prior year: €99,690k) at its disposal, consisting of demand facilities totaling €60,000k (prior year: €60,000k) and facilities with remaining terms as of December 31, 2024 of 15 to 48 months totaling €39,253k (prior year: €39,690k). The credit lines may be drawn on both as credit and as guarantee facilities; guarantee facility drawings amounted to €13,898k (prior year: €4,075k). The undrawn amount of the credit line available for future operating activities and to meet obligations was €41,424k as of the reporting date (prior year: €56,496k).

Interest-bearing loans at the WashTec Group are made up as follows:

in €k	Dec 31, 2024	Dec 31, 2023
Non-current interest-bearing loans	3,489	5,204
Current interest-bearing loans	40,442	33,916
Total	**43,931**	**39,120**

All loans have variable interest rates. The short-term interest-bearing loans are made up of overdraft borrowings in the amount of €38,998k (prior year: €32,287k) and interest-bearing loans in the amount of €1,444k (prior year: €1,629k).

The bank loans are not tied to any financial covenants. The interest rate on the credit lines is variable and linked to changes in EURIBOR, €STR and SOFR plus a contractually agreed margin between 0.9% and 1.5%. There were also commitment fees of between 0.3% and 0.5%. The interest rate on the credit lines when drawn is determined by the current terms and conditions of the banks concerned. The interest rates ranged between 3.8% and 5.1% in the reporting year (prior year: between 2.7% and 5.3%).

29. Leases

in €k	Dec 31, 2024	Dec 31, 2023
Current lease liabilities	9,061	7,863
Non-current lease liabilities	12,773	11,576
Total	**21,834**	**19,439**

To obtain a low fixed cost base, some leases for Group locations feature variable lease payments that rise incrementally on attainment of a specified volume of carwashes or revenue. The lease payments are recognized in profit or loss in the period in which the condition that triggers them occurs. As in the prior year, there are no future cash outflows that are not reflected in the measurement of lease liabilities as of December 31, 2024.

A number of property leases contain extension and termination options. No lease payments related to these as the optional periods are in the future. Potential future cash outflows in the amount of €860k (prior year: €3,097k) were not included in the lease liabilities as the leases are not reasonably certain to be extended.

Total cash outflows for leases were €9,704k in fiscal year 2024 (prior year: €8,740k). Future cash outflows arising from leases not yet commenced to which the WashTec Group committed in fiscal year 2024 amount to €130k (prior year: €256k).

The other rental expenses include €307k (prior year: €346k) in expenses for leases of low-value assets that are not short-term leases. Low-value assets mainly comprise IT equipment. As in the prior year, no expenses were recognized for variable lease payments not taken into account in the measurement of lease liabilities.

For the right-of-use assets recognized for leased assets and the related depreciation, please see Note 15. For the interest expense from discounting lease liabilities, please see Note 10.

30. Other liabilities

in €k	Non-current (> 1 year)		Current (< 1 year)	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
Accrued liabilities	0	0	12,738	11,841
Liabilities to trading partners	0	0	4,965	4,846
Debtors with credit balances	0	0	1,497	1,020
Other	225	55	821	1,410
Total other financial liabilities	**225**	**55**	**20,021**	**19,117**
Liabilities to employees and board members	503	45	15,544	16,139
Taxes and levies	0	0	6,947	6,455
Liabilities for social security	0	0	1,415	1,431
Other	0	35	1,543	1,794
Total other non-financial liabilities	**503**	**80**	**25,449**	**25,818**
Total	**728**	**136**	**45,469**	**44,935**

The accrued liabilities in the amount of €12,738k (prior year: €11,841k) mainly relate to outstanding invoices for service already received and for credit notes yet to be issued in the Service business. The taxes and levies mainly relate to value added tax yet to be remitted.

31. Contract liabilities

Liabilities relating to contracts with customers:

in €k	Dec 31, 2024	Dec 31, 2023
Prepayments on orders	21,895	19,584
Deferred income for full maintenance, extended guarantees and prepaid service agreements	9,633	9,512
Total	**31,528**	**29,096**
of which long-term	*1,134*	*1,297*
of which short-term	*30,394*	*27,799*

Management expects that 96.4% (prior year: 95.5%) of these unsatisfied (or partially unsatisfied) performance obligations will be recognized as revenue in fiscal year 2025. The remaining 3.6% (prior year: 4.5%) are expected to be recognized as revenue in fiscal year 2026. The amount stated does not include any variable compensation components that are constrained.

Revenue recognition in relation to contract liabilities:

in €k	2024	2023
Revenue recognized in the fiscal year included in the balance of contract liabilities at the beginning of the period		
Prepayments on orders	19,584	25,939
Deferred income for full maintenance, extended guarantees and prepaid service agreements	8,215	8,686

32. Financial risk management objectives and methods

The risks for the Group arising from derivative financial instruments comprise credit and liquidity risk along with market price risk in the form of interest and currency risk. Company policy is to avoid or limit such risk as far as possible. Substantially all hedging is coordinated and undertaken centrally. For example, the Group regularly identifies all items that are subject to interest rate and currency risk, assesses the probability of occurrence of negative developments and makes any decisions required to avoid or reduce variation in the corresponding interest rate and/or currency positions. No trading in derivatives is undertaken as a fundamental rule in accordance with internal Group policy.

All risk types to which the Group is exposed, and the strategies and procedures for managing the risks, are described below.

Credit risk

The Group conducts business exclusively with creditworthy third parties. To minimize credit risk, order limits are imposed in cases where customers do not have first-class credit standing. For new regional customers, the Company requests evidence of credit standing or financing. Impairments recognized on receivables are expected to be sufficient to cover actual risk. Please see Note 19 for further information.

There is presumed to be a concentration of credit risk if a single customer or oil company makes up more than 10% of revenue. Revenue with one major customer marginally exceeded 10% of consolidated revenue in fiscal years 2024 and 2023. The development of receivables is monitored on a monthly basis as part of receivables management. If there are indications of an increase in credit risk, insolvency insurance may be taken out with reputable credit insurers. There is no enhanced credit risk in this regard.

For all of the Group's financial assets, the maximum credit risk in the event of a default by a counterparty is the carrying amount of the instruments. No credit losses are expected on such instruments.

Liquidity risk

A key business objective is to ensure that Group companies are solvent at all times. The implemented cash management systems enable the Group to identify potential shortfalls in good time and take appropriate action. The current and future liquidity situation is controlled in a timely manner on an annual basis, based on a monthly rolling consolidated liquidity plan and a short and medium-term plan. Unutilized credit lines ensure the supply of liquidity. The credit lines have been granted under bilateral agreements between WashTec Cleaning Technology GmbH and various banks subject to joint and several liability on the part of WashTec AG. Further information is provided in Note 28.

The table below shows all contractually agreed undiscounted payments of principal and interest on financial liabilities recognized as of December 31, 2024 for future fiscal years.

The table includes all instruments held as of the balance sheet date for which payments were already agreed. Foreign currency amounts are translated at closing rates. Variable interest payments on the financial instruments, primarily on loans, are calculated at expected interest rates. Financial liabilities that are repayable at any time are always included in the earliest repayment category.

in €k	Carrying amount	Cash flows		
	Dec 31, 2024	2025	2026–2029	2030 ff.
Interest-bearing loans	43,931	34,102	11,561	0
Lease liabilities	21,834	9,719	13,320	77
Trade payables	19,577	19,577	0	0
Other financial liabilities	20,247	20,006	225	0

in €k	Carrying amount	Cash flows		
	Dec 31, 2023	2024	2025–2028	2029 ff.
Interest-bearing loans	39,120	35,649	5,787	0
Lease liabilities	19,439	8,226	11,609	344
Trade payables	23,951	23,951	0	0
Other financial liabilities	19,172	19,117	55	0

Market price risk

The main sources of market price risk facing the Group relate to exchange rate movements between the euro and other currencies and to interest rate movements on the international money and capital markets.

Currency risk

In the prior year, American subsidiary Mark VII Equipment Inc., Arvada, USA, had a long-term CAD loan receivable against its Canadian subsidiary, which was designated as a net investment in a foreign operation in the amount of CAD 7,800k. The translation effect of the loan receivable attributable to the net investment in a foreign operation was recognized in other comprehensive income.

The operational risk arising from individual transactions in foreign currencies is immaterial to the Group due to the small volume of such transactions.

Interest rate risk

Interest rate hedging

Interest rate risk in the Group is primarily connected with the drawn interest-bearing loans as the variable base interest rate for the credit lines is based on EURIBOR, €STR and SOFR.

At the inception of a hedging relationship, both the hedging relationship and the Group’s risk management objectives and strategies with regard to the hedge are formally designated and documented. The documentation includes the identification of the hedging instrument, the hedged item, the nature of the hedged risk and how the entity assesses whether the hedging relationship meets the hedge effectiveness requirements (including an analysis of the possible reasons for any hedge ineffectiveness and how the hedge ratio is determined). In accordance with Group policy, there is no trading in derivatives for speculative purposes.

To hedge these interest rate exposures, derivative financial instruments in the form of interest rate swaps were held for hedging purposes during the reporting year. Credit risk relating to the counterparties to the interest rate derivatives could result in hedge ineffectiveness. As of December 31, 2024, no ineffectiveness was identified and the hedging relationships are classified as effective. Effectiveness is determined on the basis of the critical terms match, where loans and swaps are congruent in lifetime, interest period, currency, loan repayment and nominal loan amount.

Hedging instruments as of December 31, 2024 comprised two interest rate swaps, which serve to hedge the loan for the acquisition of the site occupied by the American subsidiary.

Start	End	Nominal amount in USDk	Reference rate	Interest rate (%)	Hedge relationship	Hedge ratio (%)
Jan 3, 2023	Dec 31, 2027	3,600	SOFR	4.15	1:1	100
Jan 3, 2023	Dec 31, 2027	1,525	SOFR	4.11	1:1	100

The cash flow hedge reserve is recognized in other reserves and changed as follows in the fiscal year:

in €k	2024	2023
As of January 1	**–6**	**0**
Change in fair value of hedging instruments recognized in other comprehensive income (OCI)	38	27
Reclassified from other comprehensive income (OCI) to profit or loss (financial result)	–25	–36
Deferred taxes	–4	3
As of December 31	**3**	**–6**

Impact of changes in interest rates

The following table shows the sensitivity of consolidated earnings before taxes to a reasonably possible change in the interest rate on the variable-rate loans. All other variables are held constant.

	2024		2023	
Increase/decrease in basis points	**100**	**–100**	**100**	**–100**
Impact on EBT in €k	–476	476	–291	291
Impact on equity in €k	86	–81	118	–139

Capital management

The Group’s capital management activities are primarily directed at maintaining a high credit rating and a good equity ratio in order to support operations and maximize shareholder value. The Group manages its capital structure and makes adjustments in response to changes in economic conditions. The Group monitors its capital using appropriate financial ratios. Net financial debt comprises cash and cash equivalents less interest-bearing loans and lease liabilities. At the end of 2024, net financial debt amounted to €46,253k (prior year: €41,886k). The bank loans are not tied to any financial covenants.

33. Financial instruments

The table below shows the carrying amounts, measurement and fair values of relevant balance sheet items by measurement category.

in €k	IFRS 9 category	Carrying amount Dec 31, 2024	Measurement under IFRS 9			Measurement under IFRS 16	Fair value Dec 31, 2024**	IFRS 13 level
			Amortized cost	At fair value through other comprehensive income	At fair value through profit or loss			
Assets								
Non-current trade receivables	AC*	236	236	–	–	–	236	2
Other non-current receivables	AC*	2,046	2,046	–	–	–	2,046	2
Other non-current financial assets	AC*	412	412	–	–	–	412	–
Non-current derivative financial assets	n/a	4	–	4	–	–	4	2
Current trade receivables	AC*	76,327	76,327	–	–	–	–	–
Other current receivables	AC*	1,816	1,816	–	–	–	–	–
Other current financial assets	AC*	1,385	1,385	–	–	–	–	–
Cash and cash equivalents	AC*	19,512	19,512	–	–	–	–	–
Equity and liabilities								
Non-current interest-bearing loans	FLAC*	3,489	3,489	–	–	–	3,315	2
Non-current lease liabilities	n/a	12,773	–	–	–	12,773	–	–
Other non-current financial liabilities	FLAC*	225	225	–	–	–	225	2
Current interest-bearing loans	FLAC*	40,442	40,442	–	–	–	–	–
Current lease liabilities	n/a	9,061	–	–	–	9,061	–	–
Trade payables	FLAC*	19,577	19,577	–	–	–	–	–
Other current financial liabilities	FLAC*	20,021	20,021	–	–	–	–	–
Aggregated presentation by measurement category in accordance with IFRS 9								
Financial assets measured at amortized cost	AC*	101,734	101,734	–	–	–	2,693	–
Financial liabilities measured at amortized cost	FLAC*	83,755	83,755	–	–	–	3,541	–

**AC: financial assets at amortized cost; FLAC: financial liabilities at amortized cost*
*** For current financial instruments at amortized cost, the carrying amount at the reporting date is assumed to approximate fair value.*

in €k	IFRS 9 category	Carrying amount Dec 31, 2023	Measurement under IFRS 9			Measurement under IFRS 16	Fair value Dec 31, 2023**	IFRS 13 level
			Amortized cost	At fair value through other comprehensive income	At fair value through profit or loss			
Assets								
Non-current trade receivables	AC*	224	224	–	–	–	209	2
Other non-current receivables	AC*	3,982	3,982	–	–	–	3,904	2
Other non-current financial assets	AC*	201	201	–	–	–	–	–
Current trade receivables	AC*	67,416	67,416	–	–	–	–	–
Other current receivables	AC*	777	777	–	–	–	–	–
Other current financial assets	AC*	1,643	1,643	–	–	–	–	–
Cash and cash equivalents	AC*	16,673	16,673	–	–	–	–	–
Equity and liabilities								
Non-current interest-bearing loans	FLAC*	5,204	5,204	–	–	–	5,104	2
Non-current lease liabilities	n/a	11,576	–	–	–	11,576	–	–
Other non-current financial liabilities	FLAC*	47	47	–	–	–	47	2
Non-current derivative financial liabilities	n/a	9	–	9	–	–	9	2
Current interest-bearing loans	FLAC*	33,916	33,916	–	–	–	–	–
Current lease liabilities	n/a	7,863	–	–	–	7,863	–	–
Trade payables	FLAC*	23,951	23,951	–	–	–	–	–
Other current financial liabilities	FLAC*	19,117	19,117	–	–	–	–	–
Aggregated presentation by measurement category in accordance with IFRS 9								
Financial assets measured at amortized cost	AC*	90,915	90,915	–	–	–	4,113	–
Financial liabilities measured at amortized cost	FLAC*	82,234	82,234	–	–	–	5,150	–

**AC: financial assets at amortized cost; FLAC: financial liabilities at amortized cost*
*** For current financial instruments at amortized cost, the carrying amount at the reporting date is assumed to approximate fair value.*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If there is no active market, fair value is established using valuation techniques.

In the IFRS 13 fair value hierarchy, financial instruments are classified into three levels on the basis of the input factors used. Level 1 input factors have the highest priority and unobservable inputs the lowest. The three levels are explained in the following.

Level 1: The fair value of financial instruments traded in active markets (such as listed derivatives and equity instruments) is based on quoted market prices at the end of the reporting period. The quoted market price of financial assets held by the Group is the current bid price. These instruments are classified in level 1.

Level 2: The fair value of financial instruments not traded in an active market (such as OTC derivatives) is determined using valuation techniques that maximize the use of observable market data and minimize the use of company-specific estimates. If all significant inputs for measurement of an instrument at fair value are observable, the instrument is classified in level 2. The derivative financial assets (prior year: derivative financial liabilities) in Level 2 include interest rate swaps, which are measured at the fair value of the estimated future cash flows based on observable yield curves. The fair value of non-current assets and liabilities takes into account the present value of the expected payments, discounted using a risk-adjusted discount rate.

Level 3: If one or more of the significant inputs are not observable, the instrument is classified in Level 3.

There were no reclassifications of recurring fair value measurements between the individual levels during the fiscal year. Reclassifications into and out of levels in the fair value hierarchy are made at the end of the reporting period.

Due to their short terms, the fair values of current trade receivables, trade payables and cash and cash equivalents as well as other financial assets, other financial liabilities and interest-bearing loans generally match their carrying amounts. The fair value of non-current trade receivables and lease liabilities is determined by discounting the expected future cash flows at current market interest rates. The fair value of long-term interest-bearing loans is based on the discounted cash flows using the current market interest rate for such loans.

There are derivative financial instruments in the form of long-term interest rate swaps. These are used to hedge the interest rate risk on the bank loans taken out to finance the purchase price of the site of the US subsidiary. They are valued on the basis of the banks' market valuation. The valuation methodology has been assessed in an internal process and judged to be appropriate.

Net gains and losses by category

The following table shows the net gains and losses on financial instruments based on the IFRS 9 categories:

in €k	**2024**	2023
Financial assets at amortized cost (AC)	846	192
Financial liabilities at amortized cost (FLAC)	–4,480	–4,112
Financial assets or liabilities measured at fair value through profit or loss (FVthP/L)	75	62

The net gains or losses in the financial assets at amortized cost (AC) category are primarily attributable to foreign currency measurement and those in the financial liabilities at amortized cost (FLAC) category are primarily attributable to interest expenses and foreign currency measurement. The assets and liabilities at fair value through profit or loss (FVthP/L) category relates to interest income on derivative financial instruments.

Other information

34. Declaration of Conformity under section 161 AktG

WashTec AG has issued the declaration required under section 161 AktG for fiscal year 2024 and has made it available at *https://ir.washtec.de/en/corporate-governance/*, under "Declaration of Conformity".

The Management Board prepared the annual and consolidated financial statements on March 24, 2025 and presented them directly to the Supervisory Board for review.

The separate financial statements are to be adopted and the consolidated financial statements of WashTec AG approved at the Supervisory Board meeting on March 25, 2025.

35. Auditor's fees

The following fees were incurred in the reporting year for the services of the auditor (KPMG AG, Wirtschaftsprüfungsgesellschaft, Munich; prior year: PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft, Munich):

in €k	2024	2023
Annual accounts auditing	568	709
Other services	75	0
Total	**643**	709

The annual accounts auditing fees relate to the audit of the consolidated financial statements of the WashTec Group, the statutory audit of the separate financial statements of WashTec AG and of the subsidiaries included in the consolidated financial statements and the formal audit of the remuneration report.

The other services relate to services in connection with the introduction of the CSRD.

36. Information about the Company's governing bodies

Management Board

Michael Drolshagen	(since May 1, 2024)
Occupation, place of residence	CEO and CTO, Augsburg
Management Board portfolio	Corporate Culture, Communication and Philosophy, HR, Production, Sustainability, R&D, Quality, Service, AUWA-Chemie GmbH

Sebastian Kutz	
Occupation, place of residence	CSO, Landsberg am Lech
Management Board portfolio	Sales, Key Account Management, Marketing, Product Management, WashTec Carwash Management GmbH Interim (February 23 to April 30, 2024: R&D, Quality, AUWA-Chemie GmbH)

Andreas Pabst	
Occupation, place of residence	CFO, Bobingen
Management Board portfolio	Finance/Controlling, IT, Procurement, Investor Relations, Legal and Compliance, Risk Management, Internal Audit, Insurance, WashTec Financial Services GmbH Interim (February 23 to April 30, 2024: R&D, Corporate Culture, Communication and Philosophy, HR, Sustainability, Production)

Dr. Ralf Koeppe	(until February 29, 2024)
Occupation, place of residence	CEO and CTO, Augsburg
Management Board portfolio	Corporate Culture, Communication and Philosophy, HR, R&D, Production, Quality, Service Support, Sustainability

Supervisory Board

Ulrich Bellgardt	(Chairman of the Supervisory Board since January 1, 2024)
Profession, place of residence	Diplom degree in engineering, Hubersdorf, Switzerland
Memberships in other statutory supervisory boards	■ KROMI Logistik AG, Hamburg (Chairman of the Supervisory Board until May 30, 2024))
Memberships in comparable domestic and international supervisory bodies of business enterprises	■ None

Dr. Hans Liebler	
Profession, place of residence	Managing Director of Lenbach Capital GmbH, Gräfelfing, Germany
Memberships in other statutory supervisory boards	■ None
Memberships in comparable domestic and international supervisory bodies of business enterprises	■ autowerkstattgroup N.V., Amsterdam, Netherlands (Member of the Supervisory Board)

Heinrich von Portatius	
Profession, place of residence	Member of the Management Board, Paradigm Capital AG, Grünwald, Germany
Memberships in other statutory supervisory boards	■ None
Memberships in comparable domestic and international supervisory bodies of business enterprises	■ Schaltag AG, Effretikon, Switzerland (Member of the Board of Directors until May 31, 2024) ■ Paradigm Capital North America ICAV, Dublin, Ireland (Member of the Board of Directors) ■ Paradigm Capital North America Feeder ICAV, Dublin, Ireland (Member of the Board of Directors)

Dr. Alexander Selent	
Profession, place of residence	Supervisory Board, Limburgerhof, Germany
Memberships in other statutory supervisory boards	■ None
Memberships in comparable domestic and international supervisory bodies of business enterprises	■ None

Peter Wiedemann	(Deputy Chairman of the Supervisory Board since January 1, 2024)
Profession, place of residence	Member of the Executive Board, Rational AG, Germaringen, Germany (until December 31, 2024)
Memberships in other statutory supervisory boards	■ None
Memberships in comparable domestic and international supervisory bodies of business enterprises	■ None

37. Related party disclosures

Management Board remuneration (HGB)

Total remuneration granted in fiscal year 2024 to the Management Board in accordance with Section 315e in conjunction with Section 314 (1) No. 6a of the German Commercial Code amounted to €4,034k (prior year: €1,442k). This includes long-term share-based remuneration with a fair value of €2,472k issued to the members of the Management Board in fiscal year 2024.

Remuneration of former members of the Management Board

There are pension obligations to a former Management Board member and to surviving dependents of a former Management Board member in the amount of €257k (prior year: €237k), which are covered by a relief fund.

Total remuneration for former members of the Management Board amounted to €860k in the fiscal year (prior year: €256k).

Supervisory Board remuneration (HGB)

The total remuneration granted to the Supervisory Board members for fiscal year 2024 amounted to €567k (prior year: €667k).

Management Board and Supervisory Board remuneration (IAS 24)

In relation to fiscal year 2024, the Group is affected by the disclosure obligations under IAS 24 solely as they pertain to business transactions with members of the Management Board and Supervisory Board and with former members of the Management Board. The terms and conditions of the transactions correspond to those of arms-length transactions.

The total expense recognized for Management Board remuneration in accordance with IFRS was €2,947k (prior year: €1,135k). €1,562k (prior year: €1,442k) related to short-term benefits. An amount of €525k was recognized as expense in relation to share-based benefits for fiscal years 2024 to 2026 (prior year, 2021–2023 tranche: income of €307k). In addition, the total expenses include €710k (prior year: €0k) relating to early termination of a Management Board contract. A total of €473k (prior year: €1,143k) was recognized in other liabilities and €52k (prior year: €100k) in other comprehensive income for the future disbursement of long-term share-based payment for the members of the Management Board active as of December 31, 2024.

The total expense recognized for remuneration of the Supervisory Board in accordance with IFRS was €524k (prior year: €678k). This consisted entirely of short-term benefits. It also includes the reversal of the obligation under the LTIP in the amount of €42k, as the requirements for a cash award from the LTIP with the incentive period from January 1, 2022 to December 31, 2024 were not met. As of December 31, 2024, €0k (prior year: €42k) was recognized for obligations under the LTIP.

Share-based payment (IFRS 2)

There are contracts in place with the members of the Management Board and Supervisory Board that provide for share-based payment in the form of a Long Term Incentive Program (LTIP). This is intended to give members of the Management Board and Supervisory Board additional incentives to secure the business success of the Company in the medium and long term and to seek to deliver sustained growth in shareholder value.

The Supervisory Board share-based payment arrangement adopted by the 2021 Annual General Meeting had an incentive period from January 1, 2021 to December 31, 2024. The amount paid out depends in each case on percentage target attainment of certain performance targets over the term and on personal investment in Company shares. As the agreed performance targets were not able to be achieved, the amount recognized for this purpose in other liabilities was reversed to profit or loss and no amount will be paid out under the LTIP in fiscal year 2025.

The current share-based payment arrangement for the Management Board has an incentive period from January 1, 2024 to December 31, 2026 and was adopted by resolution of the Supervisory Board on March 4, 2024. It consists of two components: a non-personal-investment component and an optional personal investment component.

Under the non-personal-investment component, a Management Board member can obtain a maximum cash award, at 100% target achievement, of 100% of their respective short-term variable annual target remuneration for each year of the LTIP.

An additional personal investment component provides a Management Board member with the opportunity to increase – up to a maximum of double (cash award multiplier = 2) – their cash award under the non-personal-investment component by personal investment in WashTec AG shares. Doubling the cash award requires a personal investment in the amount of 100% of the 2024 short-term variable target annual remuneration in euros by a specified cut-off date. If the personal investment is lower, the personal investment component is proportionately smaller (cash award multiplier less than 2). If a Management Board member is appointed after the start of the incentive period, the rule for the personal investment in shares of the Company required to double the entitlement under the non-personal-investment component is that the Management Board member must make a personal investment amounting to 100% of the variable target income in euros for the year in which the Management Board member takes office. The long-term share-based payment is paid at the end of the incentive period. The amount paid depends on the achievement of agreed performance targets for return on capital employed (ROCE), total shareholder return (TSR) and the compound annual growth rate in revenue (revenue CAGR). The performance targets must each reach the minimum threshold of 81% set by the Supervisory Board in order to count. The ROCE target has a weighting of 40%, the TSR target a weighting of 20% and the revenue growth target a weighting of 40% in determination of the cash award. If a Management Board member makes use of the personal investment component, payment is subject to the resolutive condition that one-sixth of the gross cash award under the LTIP with personal investment is reinvested in shares in the Company by the Management Board member within three months of the cash award falling due and that the Management Board member remains invested with that quantity of shares for at least three years after acquiring them. There are exemptions to the reinvestment requirement and the holding period in the event of a Management Board member leaving office.

These obligations were measured at fair value as required for share-based payment in accordance with IFRS 2.

Both programs constitute equity-settled share-based payment transactions in the amount of the required reinvestment of one sixth of the cash award, with the remaining portion comprising cash-settled share-based payment transactions. The equity-settled share-based payment component is recognized in other reserves. The portion comprising a cash-settled share-based payment transaction is recognized in other liabilities.

The obligations recognized in other liabilities for the LTIP are as follows:

in €k	Dec 31, 2024	Dec 31, 2023
LTIP obligations	473	1,178
Total	**473**	**1,178**

The obligations recognized in other reserves for the LTIP are as follows:

in €k	Dec 31, 2024	Dec 31, 2023
Portion of LTIP obligation recognized directly in other reserves	52	107
Total	**52**	**107**

The expenses recognized for the LTIP are as follows:

in €k	2024	2023
LTIP expenses	525	1,285
Total	**525**	**1,285**

38. Events after the balance sheet date

There have been no significant events affecting the situation of the Group or of WashTec AG after the reporting period.

Augsburg, March 24, 2025

Michael Drolshagen
CEO/CTO/Chairman of the Management Board

Sebastian Kutz
CSO/Member of the Management Board

Andreas Pabst
CFO/Member of the Management Board

Responsibility statement

"To the best of our knowledge, and in accordance with the applicable reporting principles for half-year financial reporting, the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year."

Augsburg, March 24, 2025

Michael Drolshagen CEO/CTO/Chairman of the Management Board	Sebastian Kutz CSO/Member of the Management Board	Andreas Pabst CFO/Member of the Management Board

Further Information

Independent Auditor's Report

To WashTec AG, Augsburg

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of WashTec AG, Augsburg, and its subsidiaries (the Group), which comprise the consolidated balance sheet as of December 31, 2024, the consolidated income statement and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of WashTec AG for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the group management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references marked as unaudited that are not required by law. In accordance with German legal requirements, we have not audited the content of these cross-references or the information to which the cross-references refer.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other information" section. The combined management report contains cross-references marked as unaudited that are not required by law. Our opinion does not cover these cross-references or the information to which the cross-references relate.

Pursuant to Section 322 (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 combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as 'EU Audit Regulation'), 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 Combined Management Report' section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on this matter.

Revenue recognition cut-off of the sale of machinery

Please refer to “Accounting policies” in the consolidated notes to the financial statements for information on the accounting policies. In addition, please also refer to Note 7 in the notes to the consolidated financial statements on “Segment reporting”.

THE FINANCIAL STATEMENT RISK

The Group's revenue amounted to EUR 476.9 million in financial year 2024.

In addition to providing services and selling chemical products, revenue is generated especially from the sale of machinery. The share of revenue realized from machinery sales amounted to EUR 261.4 million.

WashTec AG's management has presented the criteria for the recognition of revenue from the sale of machinery in a group-wide accounting policy and implemented specific recognition and cut-off procedures.

According to the indicators specified in its accounting policy, WashTec AG has determined that the performance obligation is fulfilled at the time of transfer of the machinery to the customer; thus, revenue is recognized at a point in time. This is the case upon acceptance, shipment or installation of the machinery – depending on the contractual arrangement.

During the reporting year, WashTec AG generated a comparatively high share of revenue from machinery sales at year-end.

Due to the large number of transactions conducted in the last few weeks prior to the reporting date, there is the risk for the consolidated financial statements that revenue from machinery sales is not recognized in the period in which it was generated.

OUR AUDIT APPROACH

In order to audit the recognition of revenue in the correct period, we assessed the design and implementation of internal controls with regard to ensuring the correct or actual transfer of control.

In addition, we evaluated the recognition of revenue in the correct period from the sale of machines by comparing invoices with the corresponding purchase orders, contracts, external proof of delivery or handover protocols. This was based on selected revenues recognised before period end date using a mathematical-statistical procedure. The period prior to the reporting date was determined individually for each sub-unit on the basis of our risk assessment.

We inspected credit notes issued after the reporting date on a sample basis and confirmed that they were allocated to sales in the correct period.

OUR OBSERVATIONS

WashTec AG's approach to revenue recognition cut-off is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the combined corporate governance statement for the Company and the Group, which is contained in the "Corporate governance statement" section of the combined management report,
- the combined non-financial statement for the Company and the Group, which is contained in the "Non-financial statement" of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an 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 combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

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

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

Furthermore, management is responsible for the preparation of the combined 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, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined management report.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 opinions on the consolidated financial statements and on the combined 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 the EU Audit Regulation 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 combined 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 combined 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 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 combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's 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 combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined 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 management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management 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 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.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file WashTec_AG_KA_KLB_ESEF_2024-12-31.zip made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of

Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January1 to December 31, 2024, contained in the 'Report on the Audit of the Consolidated Financial Statements and the Combined Management Report' above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on May 14, 2024. We were engaged by the Supervisory Board on October 24, 2024. We have been the auditor of the consolidated financial statements of WashTec AG without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Rainer Rupprecht.

Munich, March 24, 2025

KPMG AG

Wirtschaftsprüfungsgesellschaft

Huber-Straßer	Rupprecht
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Financial Statements of WashTec AG – Balance Sheet (HGB)

Assets	Dec 31, 2024	Dec 31, 2023
in €k		
A. Non-current assets		
I. Intangible assets		
Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	16	27
II. Property, plant and equipment		
Fixtures and fittings	88	89
III. Financial assets		
Shares in affiliated companies	128,049	128,049
	128,151	**128,164**
B. Current assets		
I. Receivables and other assets		
1. Receivables from affiliated companies	34,483	22,492
2. Other assets	5,368	16,466
	39,851	**38,958**
C. Prepaid expenses	**33**	**39**
Assets	**168,035**	**167,161**

Equity and Liabilities	Dec 31, 2024	Dec 31, 2023
in €k		
A. Equity		
I. Subscribed capital	**40,000**	**40,000**
Treasury shares (notional amount)	−1,702	−1,702
	38,298	**38,298**
II. Capital reserves	**90,845**	**90,845**
III. Retained earnings	**33,951**	**30,074**
	163,094	**159,217**
B. Provisions		
1. Tax provisions	1,173	1,165
2. Other provisions	2,698	3,716
	3,871	**4,880**
C. Liabilities		
1. Trade payables	195	816
2. Liabilities to affiliated companies	183	1,573
3. Other liabilities	692	676
of which taxes €689k (prior year: €673k)		
of which liabilities to shareholders €2k (prior year: €2k)		
	1,070	**3,064**
Equity and liabilities	**168,035**	**167,161**

Financial Statements of WashTec AG – Income Statement (HGB)

in €k	2024	2023
1. Revenue	3,586	3,544
2. Other operating income	288	193
of which from affiliated companies €176k (prior year: €160k)		
of which from currency translation €0k (prior year: €0k)		
	3,875	**3,737**
3. Cost of materials (cost of sales)		
Cost of purchased services	−38	−45
4. Personnel expenses		
a) Wages and salaries	−3,109	−1,956
b) Social security, pension and other benefit costs	−79	−67
of which for pensions €–9k (prior year: €–6k)		
	−3,188	**−2,023**
5. Amortization, depreciation and impairment of intangible assets and property, plant and equipment	−35	−32
6. Other operating expenses	−3,157	−3,849
of which from currency translation €0k (prior year: €0k)		
	−6,418	**−5,948**
	−2,543	**−2,211**
7. Income from profit and loss pooling agreements	44,433	24,208
8. Expenses from profit and loss pooling agreements	0	−76
9. Income from participating interests	0	13,000
of which from affiliated companies €0k (prior year: €13,000k)		
10. Other interest and similar income	157	157
of which from affiliated companies €147k (prior year: €151k)		
11. Interest and similar expenses	−22	−40
of which to affiliated companies €–18k (prior year: €–18k)		
	44,567	**37,248**
12. Income taxes	−8,702	−5,323
13. Profit after tax	33,322	29,714
14. Other taxes	−4	−3
15. Net income for the period	33,318	29,711
16. Profit carried forward	633	363
17. Distributable profit	**33,951**	**30,074**

Glossary

AB	Aktiebolag (Swedish company form)
Accident rate	Work accidents/million hours worked
AG	Aktiengesellschaft (German company form)
AktG	Aktiengesetz (German Stock Corporation Act)
AS	Aksjeselskap (Norwegian company form)
A/S	Aktieselskab (Danish company form)
B.V.	Besloten Vennootschap met beperkte aansprakelijkheid (Dutch company form)
CAD	Canadian dollar
CAGR	Compound annual growth rate
CapEx	Capital expenditure
Capital employed	Non-current assets including goodwill and right-of-use assets + NOWC, calculated as the average over five quarters
Cash flow	Total inflows and outflows of cash and cash equivalents in a period
Cash funds	Cash and cash equivalents plus bank overdrafts and interest-bearing short-term loans
CCM	Climate Change Mitigation
CE	Circular Economy
CMS	Compliance Management System

CNY	Chinese renminbi yuan
Code	German Corporate Governance Code
Conveyor tunnel system	In conveyor tunnel systems, the vehicle is transported by a conveyor past fixed washing and drying equipment; this makes for increased vehicle throughput per hour compared with a gantry carwash
Corporate governance	Framework for responsible corporate management and control geared to sustainability
CO_2e	CO_2-Equivalents
CSR	Corporate social responsibility
CSRD	Corporate Sustainability Reporting Directive (CSRD); new EU directive for sustainability reporting with first-time application from fiscal year 2024 onwards
Dividend yield	Distributed dividend as a percentage of the quoted stock price at the time. The dividend yield indicates shareholders' yield on an investment in the shares.
DNSH	Do no significant harm (principle of the EU Taxonomy)
Earnings per share (EPS)	Net income/weighted average shares outstanding
EBIT	Earnings before interest and taxes
EBIT margin	EBIT/revenue
EBT	Earnings before taxes
Equity	Funds made available to the entity by owners by paying in and/or by contribution or from retained earnings

Glossary

Equity ratio	Equity/total assets
ESG	Enviromental, social, and governance
ESRS	European Sustainability Reporting Standards
EU	European Union
EURIBOR	Euro Interbank Offered Rate; reference rate for euro term deposits in interbank business
€STR	Euro Short-Term Rate; the European Central Bank's reference rate for euros, based on Eurosystem money market statistics
Financial covenants	Requirements to be complied with in connection with a loan
Financial liabilities	Financial liabilities are calculated as follows: interest-bearing loans + lease liabilities
Free cash flow	Free cash flow available for dividend distributions, debt repayment or reinvestment; free cash flow is calculated as follows: net cash inflow from operating activities – net cash outflow from investing activities
Gantry carwash	In a gantry carwash, washing and drying is performed by a railed gantry that moves back and forth several times over the stationary vehicle
GHG	Greenhouse gases
GHG-Protocol	Greenhouse gas corporate accounting and reporting standard
GmbH	Gesellschaft mit beschränkter Haftung (German company form)
GRI	Global Reporting Initiative; standard setter and standards for the preparation of sustainability reports
Gross profit	Revenue less cost of sales
Gross profit margin	Gross profit/revenue
HGB	Handelsgesetzbuch (German Commercial Code)
HSE	Health, safety and environment
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ICS	Internal control system
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards; internationally harmonized and applied financial reporting standards compiled by the International Accounting Standards Board (IASB)
ILO	International labor organization
IMF	International Monetary Fund
Inc.	Incorporated (United States company form)
IRO	Impacts, Risks and Opportunities
ISO	International Organization for Standardization
KPI	Key Performance Indicators
Ltd.	Limited (United Kingdom company form)
LTIP	Long-term incentive program; long-term share-based remuneration
Managers' transactions	Managers' own transactions

Glossary

Net financial debt	Net financial debt is calculated as follows: cash and cash equivalents less financial liabilities
NOK	Norwegian krone
NOWC	Net operating working capital (NOWC) is calculated as follows: trade receivables + inventories – trade payables – prepayments on orders
OpEx	Operating expenditure
QHSE	Quality Health Safety Environment
Pty Ltd.	Proprietary limited (Australian company form)
RMS	Risk management system
ROCE	Return on capital employed is the ratio of EBIT to capital employed and is calculated as follows: EBIT/capital employed
S.A.S.	Société par actions simplifiée (French company form)
S.A.U.	Sociedad Anónima Unipersonal (Spanish company form)
SCC	Safety certificate contractors
Self-service carwash	Self-service wash bays, single or multiple-bay wash systems where customers wash their vehicles themselves using a high-pressure lance or brush
SMB	Small and medium-sized businesses
SOFR	Secured Overnight Financing Rate; Reference interest rate for the US dollar currency, which is based on the transactions of the US dollar repo market
SP. z.o.o.	Spółka z ograniczoną odpowiedzialnością (Polish company form)
S.r.l.	Società a responsabilità limitata (Italian company form)
s.r.o.	Společnost s ručením omezeným (Czech company form)
TCFD	Task Force on Climate-Related Financial Disclosures
Total shareholder return	Total shareholder return (TSR) is the total return achieved by a shareholder on an investment in a share over a specified period of time and is expressed as a percentage of the invested capital. It is calculated as follows: [(final share price−initial share price) + dividend]/initial share price
UN	United Nations
USA	United States of America
USD	US dollar
Value-at-risk	Total risk potential which is not exceeded with the probabitliy of the confidence level used (at WashTec 95%)
WashTec	WashTec refers to the WashTec Group unless it is expressly indicated that it refers to a specific company
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
Work accidents	Accidents at work (excluding commuting accidents) with a period of absence of at least one working day (excluding accident day)

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An up-to-date list of our international sales partners can be found online at *www.washtec.de*

Group Level Key Performance Indicators (KPIs) 2020 through 2024

		2020	2021	2022	2023	**2024**
Revenue	€m	378.7	430.5	482.2	489.5	**476.9**
EBIT	€m	20.1	45.7	38.0	41.9	**45.5**
EBIT margin	%	5.3	10.6	7.9	8.6	**9.5**
EBT	€m	18.8	44.8	37.3	38.4	**42.3**
Net income	€m	13.3	31.1	26.4	28.0	**31.0**
Earnings per share	€	0.99	2.32	1.97	2.09	**2.32**
Dividend per share	€	2.30	2.90	2.20	2.20	**2.40**[1]
Free cash flow	€m	45.6	42.3	16.2	46.1	**39.5**
Balance sheet total	€m	244.0	267.0	284.5	271.3	**279.7**
Equity	€m	96.2	98.4	88.1	85.8	**88.5**
Employees[2]	persons	1,798	1,767	1,806	1,768	**1,715**

[1] *Dividend proposal to the Annual General Meeting 2025*
[2] *Average for the year*

Financial Calendar

Mar 26, 2025	Annual Report 2024
May 06, 2025	Quarterly statement Q1 2025
May 13, 2025	Annual General Meeting 2025
Aug 05, 2025	Q2 Report 2025
Nov 05, 2025	Quarterly statement Q1–3 2025

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