

TKMS

Prospectus for the admission to trading

on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*)

of

32,397,060 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) from the holdings of thyssenkrupp Technologies Beteiligungen GmbH

and of

31,126,587 newly issued ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) from a capital increase against contribution in kind resolved upon by an extraordinary general meeting on August 8, 2025, expected to be registered on or about October 16, 2025

– each representing a notional share of €1.00 in the share capital per no-par value share and carrying full dividend rights as of October 1, 2024 –

International Securities Identification Number (ISIN): DE000TKMS001

German Securities Code (*Wertpapierkennnummer*, WKN): TKMS00

Ticker Symbol: TKMS

of

TKMS AG & Co. KGaA

Financial Advisors and Listing Agents

Deutsche Bank

Citigroup

COMMERZBANK

Financial Advisors

Macquarie Capital

BBVA

Crédit Agricole CIB

Société Générale

TABLE OF CONTENTS

	Page
SUMMARY OF THE PROSPECTUS.....	S-1
ZUSAMMENFASSUNG DES PROSPEKTS	S-8
1 Risk Factors	1
1.1 Risks Related to Our Industry and Market.....	1
1.2 Risks Related to Our Business and Products.....	6
1.3 Risks Related to Laws, Regulation and Taxation.....	21
1.4 Risks Related to Our Financial Profile	29
1.5 Risks Related to the Group’s Separation from the thyssenkrupp Group	31
1.6 Risks Related to the Shareholder Structure	33
1.7 Risks Related to the Shares and the Admission to Trading.....	34
2 General Information.....	38
2.1 General Information regarding this Prospectus.....	38
2.2 Subject Matter of this Prospectus.....	39
2.3 Validity of this Prospectus	39
2.4 Forward-Looking Statements	39
2.5 Presentation of Financial Information	40
2.6 Sources of Market Data and Other Information from Third Parties.....	40
2.7 Documents Available for Inspection.....	41
2.8 Note on Currency	42
2.9 Negative Numbers and Rounding.....	42
2.10 Time Specifications	42
2.11 Enforcement of Civil Liabilities.....	42
3 Separation, Spin-off and Admission to Trading.....	44
3.1 Overview & Timetable.....	44
3.2 Separation of the Segment Marine Systems	45
3.3 Spin-off.....	50
3.4 Spin-off Auditor	53
3.5 Contribution in Kind and Post-Formation Audit	53
3.6 Trustee, Allotment Ratio, Settlement	53
3.7 Admission to Trading	57
4 Reasons for the Spin-off and Admission to Trading and Costs of the Admission to Trading.....	61
4.1 Reasons for the Spin-off and Admission to Trading	61
4.2 No proceeds; Costs of the Admission to Trading.....	61
5 Dividend Policy	62
5.1 General Provisions Relating to Profit Allocation and Dividend Payments.....	62

5.2	Dividend Policy	62
6	Capitalization, Indebtedness and Statement on Working Capital	64
6.1	Capitalization	64
6.2	Indebtedness	65
6.3	Lease Liabilities.....	66
6.4	Indirect and Contingent Indebtedness	67
6.5	Statement on Working Capital	67
7	Management’s Discussion and Analysis of Financial Condition and Results of Operations	68
7.1	Overview	69
7.2	Key Factors Affecting Our Results of Operations	69
7.3	Explanation of Key Line Items	77
7.4	Results of Operations.....	79
7.5	Segment Reporting.....	88
7.6	Financial Position.....	92
7.7	Liquidity and Capital Reserves	96
7.8	Non-IFRS Financial Measures (Alternative Performance Measures).....	102
7.9	Quantitative and Qualitative Disclosures About Financial Risks.....	106
7.10	Significant Accounting Policies and Critical Accounting Estimates	107
7.11	Additional Information from the Audited Unconsolidated Financial Statements Prepared in Accordance with German GAAP for the Fiscal Year Ended September 30, 2024	108
8	Profit Estimate	109
8.1	Profit Estimate of Adjusted EBIT for the period from October 1, 2024 to September 30, 2025, prepared by TKMS AG & Co. KGaA and TKMS GmbH.....	109
8.2	Definition of Adjusted EBIT	110
8.3	Profit Estimate 2024/2025 of Adjusted EBIT	111
8.4	Explanatory Notes to the Profit Estimate 2024/2025 of Adjusted EBIT	111
8.5	Factors and Assumptions	112
8.6	Other Explanatory Notes.....	118
9	Markets and Competition	119
9.1	Relevant Market	119
9.2	Global Trends and Market Drivers	119
9.3	Attainable market for the Group.....	120
9.4	Competitive Positioning.....	122
9.5	Technology Trends	122
10	Business	124
10.1	Overview	124
10.2	Investment Highlights.....	125
10.3	History and Key Milestones	134

10.4	Products and Services	135
10.5	Cooperations and Strategic Partnerships	149
10.6	Data Analytics and Artificial Intelligence	153
10.7	Research and Development	154
10.8	OceanX – Innovation Think-Tank and Time-to-Market Accelerator	157
10.9	Operations and Production	157
10.10	Procurement	158
10.11	Customers, Sales and Marketing	159
10.12	Real Property and Manufacturing Facilities	160
10.13	IT Infrastructure	162
10.14	Intellectual Property	162
10.15	Employees	163
10.16	Sustainability	163
10.17	Risk Management and Compliance	166
10.18	Legal and Administrative Proceedings	167
10.19	Material Contracts	168
10.20	Insurance	168
11	Regulatory Environment.....	169
11.1	Export Controls	169
11.2	Public Procurement	171
11.3	Approvals and Pricing Regulations	171
11.4	Secrecy Obligations	172
11.5	Embargoes and Trade Sanctions	172
11.6	Anti-Corruption and Anti-Bribery	173
11.7	Health, Safety and Environment	173
11.8	Product Safety and Liability	173
11.9	Protection of Trade Secrets	174
11.10	Customs Laws	174
11.11	Supply Chain Compliance	174
11.12	Competition Law	175
11.13	German Foreign Investment Regime	175
11.14	Other Laws and Regulations	175
12	Certain Relationships and Related Party Transactions	176
12.1	Certain ongoing Relationships with Related Parties	176
12.2	Past Transactions with Related Parties	178
13	Shareholder Structure	185
13.1	Shareholder Structure (before and after the Spin-off Effective Date)	185
13.2	Control	185
14	General Information on the Group	187

14.1	Formation, Incorporation and Articles of Association	187
14.2	Commercial Name and Registered Office and Legal Entity Identifier	187
14.3	Fiscal Year and Duration.....	187
14.4	Object of the Company.....	188
14.5	Group Structure.....	189
14.6	Significant Subsidiaries	190
14.7	Auditor.....	190
14.8	Announcements and Paying Agent.....	190
15	Description of Share Capital.....	191
15.1	Current Share Capital and Shares	191
15.2	Development of the Share Capital.....	191
15.3	Authorization to Purchase and Use Treasury Shares	191
15.4	Authorized Capital	194
15.5	Conditional Capital.....	195
15.6	Authorization to Issue Convertible Bonds and/or Warrant Bonds	195
15.7	General Provisions Governing a Liquidation of the Company.....	197
15.8	General Provisions Governing a Change in the Share Capital.....	198
15.9	General Provisions Governing Subscription Rights	198
15.10	Exclusion of Minority Shareholders.....	199
15.11	Shareholder Notification Requirements, Mandatory Takeover Bids and Managers’ Transactions	200
15.12	Mandatory Offers	202
15.13	Transactions Undertaken for the Account of a Person with Management Duties	202
15.14	Post-Admission Disclosure Requirements.....	203
15.15	EU Short Selling Regulation (Ban on Naked Short Selling).....	203
16	Governing Bodies.....	205
16.1	Overview	205
16.2	TKMS Management AG (General Partner).....	206
16.3	Supervisory Board of the Company	213
16.4	Certain Information Regarding the Members of the Management Board and Supervisory Board	221
16.5	General Meeting.....	221
16.6	Corporate Governance	222
17	Listing Agreement	223
17.1	General.....	223
17.2	Fee	223
17.3	Indemnification	223
18	Taxation in the Federal Republic of Germany	224
18.1	Taxation of the Company	224
18.2	Taxation of Shareholders.....	226

19	Financial Information	F-1
20	Glossary	G-1
21	Recent Developments and Outlook	R-1
21.1	Recent Developments.....	R-1
21.2	Outlook	R-1

SUMMARY OF THE PROSPECTUS

A. Introduction containing warnings

This prospectus (the “**Prospectus**”) relates to the admission to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the “**Frankfurt Stock Exchange**”) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (the “**Admission to Trading**”) of 32,397,060 existing ordinary bearer shares with no-par value (*Inhaberaktien*) (the “**Existing Shares**”) and 31,126,587 newly issued ordinary bearer shares with no-par value (*Inhaberaktien*) from a capital increase against contribution in kind resolved upon by an extraordinary general meeting of TKMS AG & Co. KGaA (the “**Company**”) registered with the local court (*Amtsgericht*) of Essen, Federal Republic of Germany (“**Germany**”) on June 23, 2025 (the “**New Shares**”, together with the Existing Shares, the “**Shares**”). Each Share represents a notional share of €1.00 in the Company’s share capital per no-par value share and carries full dividend rights as of October 1, 2024 (with International Securities Identification Number (“**ISIN**”): DE000TKMS001). The Company’s Legal Entity Identifier (“**LEI**”) is 529900W81B194B0E0078 and its business address is at Werftstraße 112-114, 24143 Kiel, Germany (telephone +49 431 700 0; website: www.tkmsgroup.com). References to the terms “**Group**”, “**we**”, “**us**” or “**our**” are references to the Company and, for the period up until September 30, 2025, its combined subsidiaries and TKMS Transrapid GmbH and, for the period thereafter, its consolidated subsidiaries.

The New Shares will be issued in a capital increase against contribution in kind under the German Stock Corporation Act (*Aktiengesetz*) in connection with a spin-off by absorption (*Abspaltung zur Aufnahme*) under the German Transformation Act (*Umwandlungsgesetz*) resulting in the issuance of the New Shares (“**Spin-off Capital Increase**”), which is expected to be registered in the commercial register (*Handelsregister*) of the Company on October 16, 2025. The Spin-off is expected to be registered and take effect on or about October 17, 2025 (the “**Spin-off Effective Date**”).

The Company and Deutsche Bank Aktiengesellschaft (“**Deutsche Bank**”), a German stock corporation (*Aktiengesellschaft*) with its seat (*Sitz*) in Frankfurt am Main, Germany, incorporated in and operating under the laws of Germany, with business address at Taunusanlage 12, 60323 Frankfurt am Main, Germany (LEI 7LWTFZYICNSX8D621K86), will ask for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

This Prospectus is dated October 13, 2025 and has been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – the “**BaFin**”) on October 13, 2025, in accordance with Art. 20 para. 2 of Regulation (EU) 2017/1129 (“**Prospectus Regulation**”). The BaFin can be contacted at Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany, by telephone +49 228 4108 0, or via its website: www.bafin.de.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Shares of the Company should be based on a consideration of this Prospectus as a whole by an investor. Investors in the Shares of the Company could lose all or part of their invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where this summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares.

B. Key information on the issuer

Who is the issuer of the securities?

Issuer information

TKMS AG & Co. KGaA is incorporated as a German law partnership limited by shares (*Kommanditgesellschaft auf Aktien*, “**KGaA**”) and governed by German law, whose general partner (*Komplementär*), TKMS Management AG, is a stock corporation (*Aktiengesellschaft*) incorporated in Germany and governed by German law. The Company’s registered seat (*Sitz*) is at thyssenkrupp Allee 1, 45143 Essen, Germany, and it is registered with the commercial register of the local court of Essen under HRB 37039. The Company can be contacted at its business address Werftstraße 112-114, 24143 Kiel, Germany, by telephone: +49 431 700 0, or via its website: www.tkmsgroup.com. The Company’s LEI is 529900W81B194B0E0078.

Principal activities of the issuer

We are one of the world's leaders in the naval defense sector (*source: Company information*), with more than 9,100 employees (including temporary agency workers) across three shipyards in Kiel and Wismar, Germany and Itajaí, Brazil, major corporate offices including engineering as well as research & development (“**R&D**”) facilities in Bremen, Hamburg and Emden, Germany and major domestic and international subsidiaries including in Flintbek, Germany and Dorset, United Kingdom, as well as further offices and operating sites worldwide. We are the only supplier of conventional (non-nuclear) submarines in Germany, a major supplier of naval surface vessels and, through our wholly owned subsidiary TKMS ATLAS ELEKTRONIK GmbH (“**Atlas Electronics**”), a key European player in end-to-end naval warfare capabilities (*source: Company information*). We are a key supplier and outfitter of naval platforms and equipment, including lifecycle maintenance, overhaul and upgrade services, within our attainable market, which we define as all countries with relevant naval activity that are not subject to an arms embargo by the European Union (“**EU**”), United Nations (“**UN**”) or United States (“**US**”) and offer a realistic potential (this excludes markets with national champions in the respective segment and categories not relevant to us, e.g., aircraft carriers or nuclear submarines). In particular, we are a key supplier and outfitter of the German Navy (*Deutsche Marine*) and the navies of other North Atlantic Treaty Organization (“**NATO**”) member states, such as Norway and Italy, as well as numerous NATO global partners and major non-NATO allies, including Australia, Brazil, Israel and South Korea. In total, we supply more than 50 navies worldwide. In addition, we develop and market certain of our products to commercial customers through our NXTGEN Engineering business (“**NXTGEN Engineering**”) and, through the standalone entity TKMS Transrapid GmbH (“**TCCT**”), we seek to expand our artificial intelligence activities. In total, we have supplied more than 325 vessels since 1960, which have accumulated more than 10,000 total years of operation (estimated cumulative years of operation of all vessels sold for both our Submarines and Surface Vessels segments; *source: Company information*).

We operate our business primarily through three operating segments: Submarines (“**Submarines**”), Surface Vessels (“**Surface Vessels**”) and Atlas Electronics, each with dedicated services businesses:

Submarines. We are the leading supplier of conventional submarines within our attainable market (based on 2015-2024 deliveries of new conventional submarines (*source: Company information*)) and we consider ourselves to be a world leader in the design, development and manufacture of conventional submarines. From our shipyards in Kiel and going forward from our recently acquired shipyard in Wismar, Germany and in certain cases from the local shipyards of our in-country partners, we are specialized in the construction and delivery of multiple classes of advanced submarines. As at June 30, 2025, our shipyards (including partner shipyards) have produced 97 submarines that were in active service across 20 navies as of that date (*source: Company information*). As at June 30, 2025, we also had an additional 27 submarines in Order Backlog (as defined below).

Surface Vessels. We are a top three provider of mid-size naval surface vessels (based on 2015-2024 deliveries of new surface vessels (including corvettes, frigates and destroyers, as well as certain vessel categories outside our current product portfolio, i.e., mine warfare ships and offshore patrol vessels)) within our attainable market (*source: Company information*) and a large system integrator, specialized in the design, development, systems integration and construction of multi-mission surface combatants tailored to meet the diverse and demanding operational requirements of navies worldwide. As at June 30, 2025, our shipyard in Itajaí, Brazil as well as the local shipyards of our various German and international partners have delivered 84 surface vessels that were in active service across 16 navies as of that date (*source: Company information*). As at June 30, 2025, we also had an additional 11 surface vessels in Order Backlog (as defined below).

Atlas Electronics. Through Atlas Electronics, with primary locations in Bremen as well as Wedel and Flintbek, Germany and Dorset, United Kingdom, we are a global supplier with a strong position in integrated sonar systems (*source: Company information*). We are a global supplier to over 40 navies and specialize in equipping submarines and surface combatants with integrated sensor, command & control, and weapon control systems. We also provide a comprehensive product portfolio encompassing naval weapon systems, communications, maritime security solutions, mine warfare, anti-submarine warfare and uncrewed vehicles, as well as comprehensive lifecycle support and logistical services.

Major shareholder and Control

As at the date of this Prospectus, thyssenkrupp Technologies Beteiligungen GmbH (the “**Existing Shareholder**”), which is a wholly-owned subsidiary of thyssenkrupp AG (“**thyssenkrupp AG**”) is the sole shareholder of the Company, giving thyssenkrupp AG indirect control over the Company.

Following the Spin-off Effective Date, thyssenkrupp AG will continue to indirectly control the Company through the Existing Shareholder, which will hold a total of 51.0% of the Shares.

TKMS Management AG is the general partner of the Company (“**General Partner**”) which has no interest in the issued and outstanding share capital of the Company. Pursuant to the articles of association of the Company, the General Partner has not made a capital contribution to the Company, does not hold any shares in the Company and, therefore, will not participate in its assets or its profits and losses.

Management

The General Partner is solely responsible for the management of the Company, including all exceptional management measures. When acting in its capacity as general partner for the Company, the General Partner always acts through the members of its executive board, who manage and represent the General Partner vis-à-vis third parties (including the TKMS AG & Co. KGaA). The members of the executive board of the General Partner, as at the date of this Prospectus, are Oliver Burkhard (Chief Executive Officer), Paul Glaser (Chief Financial Officer), Angelika Kambeck (Chief Human Resources Officer) and Dr. Dirk Steinbrink (Chief Operations Officer).

Auditor of the financial statements

KPMG AG Wirtschaftsprüfungsgesellschaft, Luise-Straus-Ernst-Straße 2, 50679 Cologne (“**KPMG**”) is the independent auditor of the Company. KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin. KPMG has audited as independent auditor the audited combined financial statements of the Group as of and for the fiscal years ended September 30, 2024, 2023 and 2022 (the “**Audited Combined Financial Statements**”) and the audited unconsolidated financial statements of the Company as of and for the fiscal year ended September 30, 2024 (the “**Audited Unconsolidated Financial Statements**”).

What is the key financial information regarding the issuer?

The Audited Combined Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) were audited in accordance with International Standards on Auditing by KPMG, who issued on September 4, 2025 an independent auditor’s report thereon. The unaudited condensed combined interim financial statements of the Company as of and for the nine months ended June 30, 2025 were prepared in accordance with IFRS applicable to interim financial reporting (IAS 34) as adopted by the European Union (the “**Unaudited Condensed Combined Interim Financial Statements**”, and, together with the Audited Combined Financial Statements, the “**Combined Financial Statements**”).

The Audited Unconsolidated Financial Statements were prepared by the Company in accordance with the German Commercial Code (*Handelsgesetzbuch*).

Where financial information in the tables in this summary is labeled “audited”, this means that it has been taken from the Audited Combined Financial Statements or from the Audited Unconsolidated Financial Statements mentioned above. The label “unaudited” is used in the tables in this summary to indicate financial information that has not been taken from the Audited Combined Financial Statements mentioned above, but has been taken either from the Unaudited Condensed Combined Interim Financial Statements or the accounting records or the internal reporting systems of the Group, or is derived from the Audited Combined Financial Statements or from the Audited Unconsolidated Financial Statements, or has been calculated based on figures from the aforementioned sources.

Key financial information from the Combined Statements of Income

	For the nine months ended June 30,		For the fiscal year ended September 30,		
	2024	2025	2022	2023	2024
	<i>(unaudited)</i>		<i>(audited)</i>		
	<i>(€ millions)</i>				
Sales	1,413.8	1,587.2	1,695.8	1,948.7	1,986.6
Income from operations.....	55.6	85.4	31.7	81.3	78.4
Net income	62.1	75.2	13.1	62.7	87.6

Key financial information from the Combined Statements of Financial Position

	As of June 30,		As of September 30,	
	2025	2022	2023	2024
	(unaudited)		(audited)	
	(€ millions)			
Total assets	5,886.2	4,700.8	4,962.2	4,930.4
Total equity	1,720.8	1,955.1	2,071.5	1,598.0

Key financial information from the Combined Statements of Cash Flows

	For the nine months ended June 30,		For the fiscal year ended September 30,		
	2024	2025	2022	2023	2024
	(unaudited)			(audited)	
	(€ millions)				
Operating cash flows ⁽¹⁾	(33.3)	718.8	404.6	304.4	457.5
Cash flows from investing activities....	(12.0)	(17.1)	(279.9)	(425.3)	170.3
Cash flows from financing activities ...	(0.3)	192.5	47.6	9.5	(641.2)

Note:

- (1) Including interest and taxes

Key Performance Indicators and Alternative Performance Measures

	As of and for the nine months ended June 30,		As of and for the fiscal year ended September 30,		
	2024	2025	2022	2023	2024
	(unaudited)		(unaudited, unless otherwise indicated)		
	(€ millions, unless otherwise indicated)				
Adjusted EBIT ⁽¹⁾	63.3	97.5	33.7	87.7	85.6
Adjusted EBIT Margin (in %) ⁽²⁾	4.5	6.1	2.0	4.5	4.3
Order Intake ⁽³⁾	667.4	8,477.1	4,326.0	985.9	1,354.7
Order Backlog ⁽⁴⁾	11,622.2	18,558.8	13,811.5	12,743.0	11,799.8
Free Cash Flow ⁽⁵⁾	(90.0)	631.0	274.6	179.8	355.3
Net Advance Payments ⁽⁶⁾	n/a	(1,017.8)	(290.3)	(370.5)	(600.3)
Net Working Capital ⁽⁷⁾	n/a	(1,039.0)	(98.1)	(328.9)	(486.0)

Notes:

- (1) We define Adjusted EBIT as income from operations as presented in the Group's combined statement of income, with adjustments for expenses relating to a thyssenkrupp AG group trademark fee, income and expenses from at-equity valuations and other special items, such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, income from further investments and selected transaction related costs, including but not limited to merger & acquisition-related costs or costs incurred in connection with capital market transactions and transaction costs. Audited for the fiscal years ended September 30, 2022, 2023 and 2024.
- (2) We define Adjusted EBIT Margin as Adjusted EBIT divided by sales.
- (3) We define Order Intake as binding customer contracts and binding purchase orders concluded in the respective reporting period at the respective contract price, including expected fixed price escalations agreed over the respective contract term but excluding variable price escalations which are only considered in the reporting period in which variable price escalations amounts are billed to our customers.
- (4) We define Order Backlog as the portion of the associated contract price reflected in Order Intake for which the amount of revenue has not yet been recognized over time in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) 15. Audited for the fiscal years ended September 30, 2022, 2023 and 2024.
- (5) We define Free Cash Flow as operating cashflows less cashflows from investing activities, however, adding back cashflows from cash pool withdrawals (deposits) included in cashflows from investing activities.
- (6) We define Net Advance Payments as the total of contract assets and advance payments to suppliers (which form part of other financial assets) less contract liabilities.
- (7) We define Net Working Capital as the total of inventories and trade accounts receivable less trade accounts payable and Net Advance Payments (comprising the total of contract assets and advance payments to suppliers (which form part of other financial assets) less contract liabilities).

What are the key risks that are specific to the issuer?

- Geopolitical and macroeconomic developments may adversely affect defense and security spending by national governments, international organizations, and their armed and security forces, which constitute the majority of our customers and could therefore adversely impact our sales.
- Our international business is subject to export control regulations and import restrictions applicable to our products and supply chains, including government approval requirements, as well as government or industrial preferences or policies, which can limit our sales potential.
- Any reduction in government defense budgets or the defense budgets of international organizations allocated for naval warfare or a delay in the spending of defense budgets already allocated has the potential to materially affect our revenues.
- Our future business success depends on our ability to maintain the high quality of our products, processes and delivery performance.
- A disruption in our supply or delivery chain may cause us or one or more of our suppliers to halt production.
- If we fail to attract and retain qualified executives, key employees and skilled and qualified personnel, our competitiveness could be adversely affected.
- We generate a significant amount of our revenue from a limited number of large customers. If we experience a loss of, or reduction in, sales to any of our largest customers, this would materially adversely impact our business.
- Our operations rely on complex IT systems and networks, which may be breached, attacked, or impaired, leading to severe disruptions of our operations and negatively impacting our margins and reputation.
- If our Order Intake or Order Backlog fails to generate revenue as anticipated, our business, financial condition or results of operations would be materially and adversely affected.
- Failure of our risk management and internal control systems and our material compliance management system to prevent or detect corruption, fraud, other criminal or unauthorized behavior or violation of the law, could expose us to lawsuits, administrative fines and reputational damage.
- The availability and conditions of bank guarantee credit facilities may limit the Group's growth and ultimately lead to negative growth.
- The Group has not previously operated as a stand-alone publicly listed company and may face difficulties operating effectively and fully implementing its business strategy.

C. Key information on the securities

What are the main features of the securities?

Type, class, par value

This summary relates to the Admission to Trading of ordinary bearer Shares with no-par value (*Inhaberaktien*) of the Company; ISIN: DE000TKMS001; German Securities Code (*Wertpapierkennnummer*, WKN): TKMS00; Ticker Symbol: TKMS. All Shares of the Company are shares of the same class.

Number of securities

As at the date of this Prospectus, the share capital of the Company amounts to €32,397,060.00 and is divided into 32,397,060 ordinary bearer shares with no-par value (*Inhaberaktien*). Each Share of the Company represents a notional share of €1.00 in the Company's share capital per no-par value share. All Shares of the Company are fully paid up. As of the Spin-off Effective Date, the share capital of the Company will amount to €63,523,647.00 and will be divided into 63,523,647 no-par value ordinary bearer shares, with each Share of the Company representing a notional share of €1.00 in the Company's share capital per no-par value share.

Currency

The Shares are denominated in Euro.

Rights attached

Each share of the Company carries one vote at the Company's general meeting. There are no restrictions on voting rights. The Shares carry full dividend rights as of October 1, 2024.

Seniority

The Shares are subordinated to all other securities and claims in case of an insolvency of the Company.

Free transferability

The Shares are freely transferable in accordance with the legal requirements for ordinary bearer shares (*Inhaberaktien*). The articles of association of the Company do not require that the Company grants its consent to a transfer of the Shares.

Dividend policy

Subject to the availability of distributable profit, legal restrictions with respect to the distribution of profits and available funds, and subject to prevailing market conditions and economic situation at the time of the distribution, the Company intends to pay an annual dividend of approximately 30-50% of the Group's consolidated net income attributable to the shareholders of the Company according to the German Commercial Code (*Handelsgesetzbuch* - HGB), provided that the payment of such annual dividend is covered by the Company's free cash flow, starting for the fiscal year ending September 30, 2026 (non-cumulative, the Company will not pay any dividends for the fiscal year ending September 30, 2025).

Where will the securities be traded?

The Company – together with Deutsche Bank – will apply for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, to the sub-segment thereof (Prime Standard) with additional post-admission obligations. Public trading in the Shares is expected to commence on October 20, 2025.

What are the key risks that are specific to the securities?

- The Shares of the Company have not been publicly traded. A liquid trading market for the Shares may not develop.
- Substantial sales of the Shares may occur in connection with the Spin-off, which could cause the price of the Shares to decline.
- Following the Admission to Trading, the Company's largest shareholder thyssenkrupp AG could exert substantial influence on decisions reached by the general meeting or through the General Partner and could have diverging interests from those of the Group's other shareholders.

D. Key information on the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

On the Spin-off Effective Date, 49.0% of the Shares will be transferred to Deutsche Bank as trustee for allocation to the shareholders of thyssenkrupp AG in the same proportion as their shareholding in thyssenkrupp AG. Prior to the start of trading scheduled for October 20, 2025, each shareholder of thyssenkrupp AG is expected to receive:

- for every 20 ordinary bearer shares with no-par value of thyssenkrupp AG (ISIN DE0007500001; German Securities Identification Number (WKN) 750000)
- 1 ordinary bearer share with no-par value of TKMS AG & Co. KGaA (ISIN DE000TKMS001; WKN TKMS00), representing a notional amount of the share capital of €1.00.

The Shares can be bought and sold on the Frankfurt Stock Exchange following the commencement of trading on the Frankfurt Stock Exchange which is expected to occur on October 20, 2025.

Who is the person asking for Admission to Trading?

Admission to Trading

The Company will ask for the Admission to Trading together with Deutsche Bank.

Why is this Prospectus being produced?

The purpose of this Prospectus is to admit the Shares to trading on the Frankfurt Stock Exchange.

No proceeds; costs of the Admission to Trading

Neither the Company nor the Existing Shareholder will receive proceeds in connection with the Admission to Trading. All costs in connection with the spin-off and the Admission to Trading, which will amount to approximately €75 million, are assumed by thyssenkrupp AG.

Listing Agreement

The Company, thyssenkrupp AG, as well as Deutsche Bank, Citigroup Global Markets Europe AG (“**Citigroup**”) and COMMERZBANK Aktiengesellschaft (“**COMMERZBANK**” and together with Deutsche Bank and Citigroup, the “**Listing Agents**”), and Macquarie Capital France SA, Niederlassung Deutschland (“**Macquarie Capital**”), Banco Bilbao Vizcaya Argentaria, S.A. (“**BBVA**”), Crédit Agricole Corporate and Investment Bank (“**Crédit Agricole CIB**”) and Société Générale (“**Société Générale**”) entered into a listing agreement dated October 13, 2025 (the “**Listing Agreement**”), pursuant to which Deutsche Bank, Citigroup and COMMERZBANK act as the financial advisors and Listing Agents, and Macquarie Capital, BBVA, Crédit Agricole CIB and Société Générale act as additional financial advisors (together with the Listing Agents, the “**Banks**”) in connection with the Admission to Trading. In the Listing Agreement, the Company and the thyssenkrupp AG each agreed to indemnify and hold harmless each of the Banks against and from certain liabilities and obligations that may arise in connection with the Admission to Trading. Moreover, the Company and the thyssenkrupp AG committed themselves to certain lock-up undertakings for the period commencing on the date of the Listing Agreement and ending six and twelve months respectively, after the first day of trading of the Shares on the Frankfurt Stock Exchange. The Listing Agreement provides that the obligation of the Listing Agents to pursue and uphold the application for the Admission to Trading under the Listing Agreement is subject to the satisfaction of certain customary conditions, including, for example, the receipt of customary confirmations and legal opinions satisfactory to the requirements of the Banks.

Material conflicts of interest pertaining to the Admission to Trading

There are no material conflicting interests with respect to the Admission to Trading.

ZUSAMMENFASSUNG DES PROSPEKTS

(GERMAN TRANSLATION OF THE SUMMARY OF THE PROSPECTUS)

A. Einleitung mit Warnhinweisen

Dieser Prospekt (der „**Prospekt**“) bezieht sich auf die Zulassung zum Regulierten Markt der Frankfurter Wertpapierbörse (die „**Frankfurter Wertpapierbörse**“) mit gleichzeitiger Zulassung zum Teilbereich des Regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) der Frankfurter Wertpapierbörse (die „**Zulassung zum Handel**“) von 32.397.060 bestehenden nennwertlosen Inhaberaktien (die „**Bestehenden Aktien**“) und 31.126.587 neu ausgegebenen nennwertlosen Inhaberaktien aus einer Sachkapitalerhöhung, die von der außerordentlichen Hauptversammlung der TKMS AG & Co. KGaA (die „**Gesellschaft**“) am 23. Juni 2025 beschlossen und beim Amtsgericht Essen, Bundesrepublik Deutschland („**Deutschland**“) eingetragen wurde (die „**Neuen Aktien**“, zusammen mit den Bestehenden Aktien die „**Aktien**“). Jede Aktie repräsentiert einen rechnerischen Anteil von €1,00 am Grundkapital der Gesellschaft und ist ab dem 1. Oktober 2024 voll dividendenberechtigt (mit Internationaler Wertpapierkennnummer (International Securities Identification Number, „**ISIN**“): DE000TKMS001). Der Legal Entity Identifier („**LEI**“) der Gesellschaft lautet 529900W81B194B0E0078 und ihre Geschäftsanschrift Werftstraße 112-114, 24143 Kiel, Deutschland (Telefon: +49 431 700 0; Website: www.tkmsgroup.com). Die Begriffe „**Gruppe**“, „**wir**“, „**uns**“ oder „**unser**“ beziehen sich auf die Gesellschaft und, für den Zeitraum bis zum 30. September 2025, ihre kombinierten Tochtergesellschaften und die TKMS Transrapid GmbH sowie für den Zeitraum danach, ihre konsolidierten Tochtergesellschaften.

Die Neuen Aktien werden im Rahmen einer Sachkapitalerhöhung nach dem Aktiengesetz im Zusammenhang mit einer Abspaltung zur Aufnahme nach dem Umwandlungsgesetz ausgegeben, die zur Ausgabe der Neuen Aktien führt („**Spaltungs-Sachkapitalerhöhung**“) und voraussichtlich am 16. Oktober 2025 in das Handelsregister der Gesellschaft eingetragen wird. Die Abspaltung wird voraussichtlich am oder um den 17. Oktober 2025 (der „**Spaltungstransaktionsstichtag**“) eingetragen und wirksam werden.

Die Gesellschaft und die Deutsche Bank Aktiengesellschaft („**Deutsche Bank**“), eine nach deutschem Recht gegründete und tätige Aktiengesellschaft mit Sitz in Frankfurt am Main, Deutschland, und mit der Geschäftsanschrift Taunusanlage 12, 60323 Frankfurt am Main, Deutschland (LEI: 7LWTFZYICNSX8D621K86), werden die Zulassung der Aktien zum Handel am Regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des Regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) beantragen.

Dieser Prospekt ist auf den 13. Oktober 2025 datiert und die Bundesanstalt für Finanzdienstleistungsaufsicht (die „**BaFin**“) hat ihn am 13. Oktober 2025 gemäß Art. 20 Abs. 2 der Verordnung (EU) 2017/1129 („**EU-Prospektverordnung**“) gebilligt. Die BaFin ist unter der Anschrift Marie-Curie-Str. 24-28, 60439 Frankfurt am Main, Deutschland, telefonisch: +49 228 4108 0 oder über ihre Website: www.bafin.de erreichbar.

Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Anleger sollten sich bei der Entscheidung, in die Aktien der Gesellschaft zu investieren, auf diesen Prospekt als Ganzes stützen. Anleger, die in die Aktien der Gesellschaft investieren, könnten das gesamte angelegte Kapital oder einen Teil davon verlieren. Für den Fall, dass vor einem Gericht Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger nach nationalem Recht die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Zivilrechtlich haften nur die Personen, die diese Zusammenfassung samt etwaiger Übersetzungen vorgelegt und übermittelt haben, jedoch nur für den Fall, dass diese Zusammenfassung, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, irreführend, unrichtig oder widersprüchlich ist oder dass sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht die Basisinformationen bereitstellt, die Anlegern dabei helfen, zu entscheiden, ob sie in die Aktien investieren sollen.

B. Basisinformationen über die Emittentin

Wer ist die Emittentin der Wertpapiere?

Informationen über die Emittentin

Die TKMS AG & Co. KGaA ist eine Kommanditgesellschaft auf Aktien (KGaA) nach deutschem Recht, deren Komplementärin die TKMS Management AG ist, eine ebenfalls deutschem Recht unterliegende deutsche Aktiengesellschaft. Die Gesellschaft hat ihren Sitz in der thyssenkrupp Allee 1, 45143 Essen, Deutschland, und ist im Handelsregister des Amtsgerichts Essen unter HRB 37039 eingetragen. Die Gesellschaft ist unter ihrer Geschäftsanschrift Werftstraße 112-114, 24143 Kiel, Deutschland, telefonisch: +49 431 700 0, oder über ihre Website: www.tkmsgroup.com, erreichbar. Der LEI der Gesellschaft lautet 529900W81B194B0E0078.

Haupttätigkeiten der Emittentin

Wir sind eines der weltweit führenden Unternehmen im Bereich der maritimen Verteidigung (*Quelle: Unternehmensinformationen*) mit mehr als 9.100 Mitarbeitern (inklusive Zeitarbeitern) auf drei Werften in Kiel und Wismar, Deutschland, sowie Itajaí (Brasilien), wichtigen Unternehmensstandorten einschließlich Ingenieurs- und Forschungs- und Entwicklungs- („F&E“) -einrichtungen in Bremen, Hamburg und Emden, Deutschland, und mit bedeutenden nationalen und internationalen Tochtergesellschaften, darunter in Flintbek, Deutschland, und Dorset, Großbritannien, sowie weiteren Niederlassungen und Betriebsstätten weltweit. Wir sind der einzige Lieferant von konventionellen (nicht-nuklearen) U-Booten in Deutschland, ein bedeutender Lieferant von Überwasserschiffen und über unsere hundertprozentige Tochtergesellschaft TKMS ATLAS ELEKTRONIK GmbH („Atlas Electronics“) ein wichtiger europäischer Akteur im Bereich der End-to-End-Fähigkeiten für die Seekriegsführung (*Quelle: Unternehmensinformationen*). Wir sind ein wichtiger Lieferant und Ausrüster von Marineplattformen und -ausrüstung, einschließlich Wartungs-, Überholungs- und Aufrüstungsdienstleistungen über den gesamten Lebenszyklus innerhalb unseres erreichbaren Marktes. Wir definieren unseren erreichbaren Markt als alle Länder mit relevanten Marineaktivitäten, die keinem Waffenembargo der Europäischen Union („EU“), der Vereinten Nationen („UN“) oder der Vereinigten Staaten von Amerika („USA“) unterliegen und ein realistisches Potenzial bieten (davon ausgenommen sind Märkte mit nationalen Marktführern in den jeweiligen Segmenten sowie Kategorien, die für uns nicht relevant sind, wie z. B. Flugzeugträger oder Atom-U-Boote). Insbesondere sind wir ein wichtiger Lieferant und Ausrüster der Deutschen Marine und der Marinen anderer Mitgliedstaaten der North Atlantic Treaty Organization („NATO“), wie Norwegen und Italien, sowie zahlreicher globaler NATO-Partner und wichtiger Nicht-NATO-Verbündeter, wie Australien, Brasilien, Israel und Südkorea. Insgesamt beliefern wir weltweit mehr als 50 Marinen. Darüber hinaus entwickeln und vermarkten wir bestimmte Produkte an kommerzielle Kunden über unseren Geschäftsbereich NXTGEN Engineering („NXTGEN Engineering“) und versuchen über das eigenständige Unternehmen TKMS Transrapid GmbH („TCCT“) unsere Aktivitäten im Bereich der Künstlichen Intelligenz auszubauen. Insgesamt haben wir seit 1960 mehr als 325 Schiffe ausgeliefert, die zusammen mehr als 10.000 Betriebsjahre geleistet haben (geschätzte kumulierte Betriebsjahre aller verkauften Schiffe für unsere Segmente U-Boote und Überwasserschiffe; *Quelle: Unternehmensinformationen*).

Wir sind hauptsächlich in drei Geschäftsbereichen tätig: U-Boote („U-Boote“), Überwasserschiffe („Überwasserschiffe“) und Atlas Electronics, die jeweils über eigene Dienstleistungsbereiche verfügen:

U-Boote. Wir sind der führende Anbieter von konventionellen U-Booten in unserem erreichbaren Markt (basierend auf den Auslieferungen neuer konventioneller U-Boote im Zeitraum 2015–2024 (*Quelle: Unternehmensinformationen*)) und betrachten uns als weltweit führend in der Konstruktion, Entwicklung und Herstellung von konventionellen U-Booten. Von unseren Werften in Kiel und künftig auch von unserer kürzlich erworbenen Werft in Wismar, Deutschland, sowie in bestimmten Fällen von den lokalen Werften unserer Partner im jeweiligen Land sind wir auf den Bau und die Lieferung verschiedener Klassen moderner U-Boote spezialisiert. Zum 30. Juni 2025 haben unsere Werften (einschließlich Partnerwerften) 97 U-Boote produziert, die zu diesem Zeitpunkt bei 20 Marinen im aktiven Dienst standen (*Quelle: Unternehmensinformationen*). Zum 30. Juni 2025 hatten wir zudem 27 weitere U-Boote in unserem Auftragsbestand (*Order Backlog*, wie untenstehend definiert).

Überwasserschiffe. Wir sind einer der drei führenden Anbieter von mittelgroßen Überwasserschiffen (basierend auf den Auslieferungen neuer Überwasserschiffe (einschließlich Korvetten, Fregatten und Zerstörer sowie bestimmter Schiffskategorien außerhalb unseres aktuellen Produktportfolios, d. h. Minenabwehrschiffe und Offshore-Patrouillenschiffe) im Zeitraum 2015-2024 in unserem erreichbaren Markt (*Quelle: Unternehmensinformationen*) und ein großer Systemintegrator, der sich auf die Konstruktion, Entwicklung, Systemintegration und den Bau von Mehrzweck-Überwasserkampfschiffen spezialisiert hat, die auf die vielfältigen und anspruchsvollen operativen Anforderungen der Marinen

weltweit zugeschnitten sind. Zum 30. Juni 2025 haben unsere Werft in Itajaí, Brasilien, sowie die lokalen Werften unserer verschiedenen deutschen und internationalen Partner, 84 Überwasserschiffe ausgeliefert, die zu diesem Zeitpunkt bei 16 Marinen im aktiven Dienst standen (*Quelle: Unternehmensinformationen*). Zum 30. Juni 2025 hatten wir zudem 11 Überwasserschiffe in unserem Auftragsbestand (*Order Backlog*, wie untenstehend definiert).

Atlas Electronics. Durch Atlas Electronics mit Hauptstandorten in Bremen sowie Wedel und Flintbek, Deutschland, und Dorset, Großbritannien, sind wir ein globaler Anbieter mit einer starken Positionierung für integrierte Sonar-Systeme (*Quelle: Unternehmensinformationen*). Wir sind ein globaler Lieferant für über 40 Marinen und spezialisiert auf die Ausrüstung von U-Booten und Überwasserkampfschiffen mit integrierten Sensor-, Kommando- und Kontrollsystemen sowie Waffenkontrollsystemen. Darüber hinaus bieten wir ein umfassendes Produktportfolio an, das Marinewaffensysteme, Kommunikation, maritime Sicherheitslösungen, Minenbekämpfung, U-Boot-Abwehr und unbemannte Fahrzeuge sowie umfassende Unterstützungsdienstleistungen über den gesamten Produktlebenszyklus und Logistikdienstleistungen umfasst.

Hauptanteilseigner und Beherrschung

Zum Datum dieses Prospekts ist die thyssenkrupp Technologies Beteiligungen GmbH (die „**Bestehende Aktionärin**“, eine hundertprozentige Tochtergesellschaft der thyssenkrupp AG („**thyssenkrupp AG**“)) die alleinige Aktionärin der Gesellschaft, wodurch die thyssenkrupp AG indirekte Kontrolle über die Gesellschaft hat.

Nach dem Spaltungstransaktionsstichtag wird die thyssenkrupp AG durch die Bestehende Aktionärin, die insgesamt 51,0 % der Aktien halten wird, weiterhin indirekte Kontrolle über die Gesellschaft ausüben.

TKMS Management AG ist die persönlich haftende Gesellschafterin der Gesellschaft („**Komplementärin**“), die keinen Anteil am ausgegebenen und ausstehenden Grundkapital der Gesellschaft hat. Gemäß der Satzung der Gesellschaft hat die persönlich haftende Gesellschafterin keine Kapitaleinlage in die Gesellschaft geleistet, hält keine Anteile an der Gesellschaft und ist daher weder an deren Vermögen noch an deren Gewinnen und Verlusten beteiligt.

Geschäftsleitung

Die Komplementärin ist allein für die Leitung der Gesellschaft, einschließlich aller außergewöhnlichen Geschäftsführungsmaßnahmen, verantwortlich. Im Rahmen ihrer Tätigkeit für die Gesellschaft als Komplementärin handelt die Komplementärin stets durch die Mitglieder ihres Vorstands, die für die Leitung und Vertretung der Komplementärin gegenüber Dritten (einschließlich der TKMS AG & Co. KGaA) zuständig sind. Die Mitglieder des Vorstands der Komplementärin sind zum Datum dieses Prospekts Oliver Burkhard (Vorstandsvorsitzender), Paul Glaser (Finanzvorstand), Angelika Kambeck (Personalvorständin) und Dr. Dirk Steinbrink (Betriebsvorstand).

Abschlussprüfer

Unabhängiger Abschlussprüfer der Gesellschaft ist die KPMG AG Wirtschaftsprüfungsgesellschaft, Luise-Straus-Ernst-Straße 2, 50679 Köln („**KPMG**“). KPMG ist Mitglied der Wirtschaftsprüferkammer, Rauchstraße 26, 10787 Berlin. KPMG hat als unabhängiger Abschlussprüfer die geprüften kombinierten Abschlüsse der Gruppe zum und für die zum 30. September 2024, 2023 und 2022 endenden Geschäftsjahre (die „**Geprüften Kombinierten Abschlüsse**“) und den geprüften nicht konsolidierten Jahresabschluss der Gesellschaft für das zum 30. September 2024 endende Geschäftsjahr (der „**Geprüfte Jahresabschluss**“) geprüft.

Welches sind die wesentlichen Finanzinformationen über die Emittentin?

Die Geprüften Kombinierten Abschlüsse der Gesellschaft nach den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind, („**IFRS**“) wurden von der KPMG gemäß den International Standards on Auditing geprüft und der Bestätigungsvermerk des unabhängigen Abschlussprüfers wurde am 4. September 2025 erteilt. Der ungeprüfte verkürzte kombinierte Zwischenabschluss der Gesellschaft für den Neun-Monats-Zeitraum zum 30. Juni 2025 wurde nach den IFRS für eine Zwischenberichterstattung (IAS 34), wie sie in der Europäischen Union anzuwenden sind, erstellt (der „**Ungeprüfte Verkürzte Kombinierte Zwischenabschluss**“, zusammen mit den Geprüften Kombinierten Abschlüssen die „**Kombinierten Abschlüsse**“).

Der Geprüfte Jahresabschluss wurde von der Gesellschaft gemäß dem Handelsgesetzbuch erstellt.

Wenn die Finanzdaten in den Tabellen dieser Zusammenfassung als „geprüft“ bezeichnet werden, bedeutet dies, dass sie aus dem vorstehend genannten Geprüften Kombinierten Abschlüssen oder dem Geprüften Jahresabschluss übernommen wurden. Die Bezeichnung „ungeprüft“ wird in den Tabellen dieser Zusammenfassung für Finanzdaten verwendet, die nicht aus den

vorstehend genannten Geprüften Kombinierten Abschlüssen stammen, sondern entweder dem Ungeprüften Verkürzten Kombinierten Zwischenabschluss oder den Buchhaltungsaufzeichnungen oder internen Berichtssystemen der Gruppe entnommen wurden, oder aus den Geprüften Kombinierten Abschlüssen oder dem Geprüften Jahresabschluss hergeleitet wurden oder auf Berechnungen von Zahlen aus den zuvor genannten Quellen basieren.

Wesentliche Finanzinformationen aus der kombinierten Gewinn- und Verlustrechnung

	Zeitraum von neun Monaten zum 30. Juni		Geschäftsjahr zum 30. September		
	2024	2025	2022	2023	2024
	<i>(ungeprüft)</i>		<i>(geprüft)</i>		
	<i>(in Mio. €)</i>				
Umsatzerlöse.....	1.413,8	1.587,2	1.695,8	1.948,7	1.986,6
Ergebnis aus operativer Geschäftstätigkeit	55,6	85,4	31,7	81,3	78,4
Nettoergebnis.....	62,1	75,2	13,1	62,7	87,6

Wesentliche Finanzinformationen aus der kombinierten Bilanz

	Zum 30. Juni	Zum 30. September		
	2025	2022	2023	2024
	<i>(ungeprüft)</i>	<i>(geprüft)</i>		
	<i>(in Mio. €)</i>			
Summe Aktiva	5.886,2	4.700,8	4.962,2	4.930,4
Summe Eigenkapital	1.720,8	1.955,1	2.071,5	1.598,0

Wesentliche Finanzinformationen aus der kombinierten Kapitalflussrechnung

	Zeitraum von neun Monaten zum 30. Juni		Geschäftsjahr zum 30. September		
	2025	2024	2022	2023	2024
	<i>(ungeprüft)</i>		<i>(geprüft)</i>		
	<i>(in Mio. €)</i>				
Cashflow aus operativer Geschäftstätigkeit ⁽¹⁾ .	(33,3)	718,8	404,6	304,4	457,5
Cashflow aus der Investitionstätigkeit	(12,0)	(17,1)	(279,9)	(425,3)	170,3
Cashflow aus der Finanzierungstätigkeit	(0,3)	192,5	47,6	9,5	(641,2)

Anmerkungen:

(1) Beinhaltet Zinsen und Steuern.

Wesentliche Leistungskennzahlen und alternative Leistungskennzahlen

	Zum und für die neun Monate, die am 30. Juni endeten		Zum und für das am 30. September endende Geschäftsjahr		
	2024	2025	2022	2023	2024
	<i>(ungeprüft)</i>		<i>(ungeprüft, sofern nicht anders angegeben)</i>		
	<i>(in Mio. €, sofern nicht anders angegeben)</i>				
Bereinigtes EBIT ⁽¹⁾	63,3	97,5	33,7	87,7	85,6
Bereinigte EBIT Marge (in %) ⁽²⁾	4,5	6,1	2,0	4,5	4,3
Auftragseingang (<i>Order Intake</i>) ⁽³⁾	667,4	8.477,1	4.326,0	985,9	1.354,7
Auftragsbestand (<i>Order Backlog</i>) ⁽⁴⁾	11.622,2	18.558,8	13.811,5	12.743,0	11.799,8
Free Cash Flow ⁽⁵⁾	(90,0)	631,0	274,6	179,8	355,3
Netto Vorauszahlungen (<i>Net Advance Payments</i>) ⁽⁶⁾	n/a	(1.017,8)	(290,3)	(370,5)	(600,3)
Nettoumlaufvermögen (<i>Net Working Capital</i>) ⁽⁷⁾	n/a	(1.039,0)	(98,1)	(328,9)	(486,0)

Anmerkungen:

- (1) Wir definieren das bereinigte EBIT als das in der kombinierten Gewinn- und Verlustrechnung der Gruppe ausgewiesene Betriebsergebnis, bereinigt um Aufwendungen im Zusammenhang mit der Marke der thyssenkrupp AG Gruppe, Erträge und Aufwendungen aus der Equity-Bewertung sowie Sonderposten wie Restrukturierungsaufwendungen, Wertminderungsaufwendungen oder -auflösungen, Gewinne oder Verluste aus Veräußerungen, Erträge aus weiteren Beteiligungen und ausgewählte transaktionsbezogene Kosten, einschließlich, aber nicht beschränkt auf Kosten im Zusammenhang mit Fusionen und Übernahmen oder Kosten im Zusammenhang mit Kapitalmarkttransaktionen und Transaktionskosten. Geprüft für die Geschäftsjahre zum 30. September 2022, 2023 und 2024.
- (2) Wir definieren die bereinigte EBIT-Marge als bereinigtes EBIT geteilt durch die Umsatzerlöse.
- (3) Wir definieren Auftragseingang (*Order Intake*) als verbindliche Kundenverträge und verbindliche Bestellungen, die im jeweiligen Berichtszeitraum zum jeweiligen Vertragspreis abgeschlossen wurden, einschließlich erwarteter vereinbarter Festpreiserhöhungen über die jeweilige Vertragslaufzeit, jedoch ohne variable Preiserhöhungen, die nur in dem Berichtszeitraum berücksichtigt werden, in dem variable Preiserhöhungsbeträge unseren Kunden in Rechnung gestellt werden.
- (4) Wir definieren den Auftragsbestand (*Order Backlog*) als den Teil des zugehörigen Vertragspreises, der sich im Auftragseingang widerspiegelt und für den der Umsatz gemäß den von der EU übernommenen International Financial Reporting Standards (IFRS) 15 noch nicht über die Zeit verteilt erfasst wurde. Geprüft für die Geschäftsjahre zum 30. September 2022, 2023 und 2024.
- (5) Wir definieren den Free Cash Flow als Cashflow aus operativer Geschäftstätigkeit abzüglich Cashflow aus Investitionstätigkeit, jedoch zuzüglich Cashflow aus Cash-Pool-Entnahmen (Einlagen), die im Cashflow aus Investitionstätigkeit enthalten sind.
- (6) Wir definieren Netto-Vorauszahlungen (*Net Advance Payments*) als Summe aus Vertragsvermögen und Vorauszahlungen an Lieferanten (die Teil anderer finanzieller Vermögenswerte sind) abzüglich Vertragsverbindlichkeiten.
- (7) Wir definieren das Nettoumlaufvermögen (*Net Working Capital*) als die Summe aus Vorräten und Forderungen aus Lieferungen und Leistungen abzüglich Verbindlichkeiten aus Lieferungen und Leistungen und Netto-Vorauszahlungen (bestehend aus der Summe der Vertragsvermögenswerte und Vorauszahlungen an Lieferanten (die Teil anderer finanzieller Vermögenswerte sind) abzüglich der Vertragsverbindlichkeiten).

Welches sind die zentralen Risiken, die für die Emittentin spezifisch sind?

- Geopolitische und makroökonomische Entwicklungen können sich negativ auf die Verteidigungs- und Sicherheitsausgaben nationaler Regierungen, internationaler Organisationen und ihrer Streit- und Sicherheitskräfte auswirken, die den Großteil unserer Kunden ausmachen, und können somit unseren Umsatz beeinträchtigen.
- Unser internationales Geschäft unterliegt Exportkontrollbestimmungen und Einfuhrbeschränkungen für unsere Produkte und Lieferketten, einschließlich behördlicher Genehmigungsanforderungen sowie staatlicher oder industrieller Präferenzen oder Richtlinien, die unser Umsatzpotenzial einschränken können.
- Jede Kürzung der Verteidigungsbudgets von Regierungen oder internationalen Organisationen, die für die Seekriegsführung vorgesehen sind, oder eine Verzögerung bei der Verwendung bereits bewilligter Verteidigungsbudgets kann sich erheblich auf unsere Umsätze auswirken.
- Unser künftiger Geschäftserfolg hängt von unserer Fähigkeit ab, die hohe Qualität unserer Produkte, Prozesse und Lieferleistungen aufrechtzuerhalten.
- Eine Unterbrechung unserer Lieferkette kann dazu führen, dass wir oder einer oder mehrere unserer Lieferanten die Produktion einstellen müssen.
- Wenn es uns nicht gelingt, qualifizierte Führungskräfte, wichtige Mitarbeiter und qualifiziertes Fachpersonal zu gewinnen und zu halten, könnte dies unsere Wettbewerbsfähigkeit beeinträchtigen.
- Wir erzielen einen erheblichen Teil unserer Umsätze mit einer begrenzten Anzahl von Großkunden. Sollten wir Umsatzverluste oder -rückgänge bei einem unserer größten Kunden verzeichnen, hätte dies erhebliche negative Auswirkungen auf unser Geschäft.
- Unser Betrieb ist auf komplexe IT-Systeme und Netzwerke angewiesen, die angegriffen, gestört oder beschädigt werden können, was zu schwerwiegenden Betriebsstörungen führen und unsere Margen und unseren Ruf beeinträchtigen könnte.
- Wenn unsere Auftragseingänge oder unser Auftragsbestand nicht wie erwartet zu Umsätzen führen, würde dies unsere Geschäftstätigkeit, unsere Finanzlage oder unsere Ertragslage erheblich und nachteilig beeinträchtigen.
- Das Versagen unserer Risikomanagement- und internen Kontrollsysteme sowie unseres wesentlichen Compliance-Managementsystems zur Verhinderung oder Aufdeckung von Korruption, Betrug, anderen kriminellen oder unbefugten Handlungen oder Gesetzesverstößen könnte uns Rechtsstreitigkeiten, Bußgeldern und Reputationsschäden aussetzen.
- Die Verfügbarkeit und die Bedingungen von Bankgarantien können das Wachstum der Gruppe einschränken und letztlich zu einem negativen Wachstum führen.
- Die Gruppe war bisher nicht als eigenständiges börsennotiertes Unternehmen tätig und könnte Schwierigkeiten haben, effektiv zu arbeiten und ihre Geschäftsstrategie vollständig umzusetzen.

C. Basisinformationen über die Wertpapiere

Welches sind die wichtigsten Merkmale der Wertpapiere?

Art, Gattung, Nennwert

Diese Zusammenfassung bezieht sich auf die Zulassung zum Handel von nennwertlosen Inhaberaktien der Gesellschaft; ISIN: DE000TKMS001; Wertpapierkennnummer (WKN): TKMS00; Tickersymbol: TKMS). Alle Aktien der Gesellschaft sind Aktien der gleichen Gattung.

Anzahl der Wertpapiere

Das Grundkapital der Gesellschaft beträgt zum Datum dieses Prospekts €32.397.060,00 und ist eingeteilt in 32.397.060 nennwertlose Inhaberaktien. Auf jede Aktie der Gesellschaft entfällt ein rechnerischer Anteil von €1,00 je Inhaberaktie am Grundkapital der Gesellschaft. Alle Aktien der Gesellschaft sind voll eingezahlt. Ab dem Spaltungstransaktionsstichtag wird das Grundkapital der Gesellschaft €63.523.647,00 betragen und in 63.523.647 Inhaberaktien eingeteilt sein, wobei auf jede

Aktie der Gesellschaft ein rechnerischer Anteil von €1,00 je nennwertloser Inhaberaktie am Grundkapital der Gesellschaft entfällt.

Währung

Die Aktien der Gesellschaft sind in Euro denominated.

Verbundene Rechte

Jede Aktie der Gesellschaft berechtigt zu einer Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien der Gesellschaft sind seit dem 1. Oktober 2024 voll dividendenberechtigt.

Rang

Die Aktien sind im Fall einer Insolvenz der Gesellschaft gegenüber allen anderen Wertpapieren und Forderungen nachrangig.

Freie Handelbarkeit

Die Aktien sind nach den gesetzlichen Bestimmungen für Inhaberaktien frei übertragbar. Die Satzung der Gesellschaft verlangt keine Zustimmung der Gesellschaft zur Übertragung der Aktien.

Dividendenpolitik

Vorbehaltlich der Verfügbarkeit eines ausschüttungsfähigen Bilanzgewinns, gesetzlichen Beschränkungen hinsichtlich der Gewinnausschüttung und der verfügbaren Mittel sowie vorbehaltlich der zum Zeitpunkt der Ausschüttung herrschenden Marktbedingungen und der wirtschaftlichen Lage beabsichtigt die Gesellschaft, eine jährliche Dividende in Höhe von ca. 30-50 % des konsolidierten Nettoergebnisses der Gruppe, das den Aktionären der Gesellschaft gemäß dem Handelsgesetzbuch (HGB) zusteht, zu zahlen, sofern die Zahlung dieser jährlichen Dividende durch den freien Cashflow der Gesellschaft gedeckt ist, erstmals für das zum 30. September 2026 endende Geschäftsjahr (nicht kumulativ, die Gesellschaft wird keine Dividende für das zum 30. September 2025 endende Geschäftsjahr zahlen).

Wo werden die Wertpapiere gehandelt?

Die Gesellschaft wird – gemeinsam mit der Deutschen Bank – die Zulassung der Aktien der Gesellschaft zum Handel am Regulierten Markt der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des Regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) der Frankfurter Wertpapierbörse beantragen. Der öffentliche Handel mit den Aktien wird voraussichtlich am 20. Oktober 2025 aufgenommen.

Welches sind die zentralen Risiken, die für die Wertpapiere spezifisch sind?

- Die Aktien der Gesellschaft wurden bisher nicht öffentlich gehandelt. Ein liquider Markt für den Handel mit den Aktien der Gesellschaft könnte sich möglicherweise nicht entwickeln.
- In Zusammenhang mit der Abspaltung kann es in erheblichem Umfang zu Verkäufen der Aktien der Gesellschaft kommen, was zu einem Kurseinbruch der Aktien führen könnte.
- Nach der Zulassung zum Handel hat der größte Aktionär der Gesellschaft, die thyssenkrupp AG, die Möglichkeit zur erheblichen Einflussnahme auf Hauptversammlungsentscheidungen oder über die Komplementärin und hat möglicherweise abweichende Interessen gegenüber den anderen Aktionären der Gruppe.

D. Basisinformationen über die Zulassung zum Handel an einem geregelten Markt

Zu welchen Konditionen und nach welchem Zeitplan kann ich in dieses Wertpapier investieren?

Zum Spaltungstransaktionsstichtag werden 49,0 % der Aktien auf die Deutsche Bank als Treuhänder für die Zuteilung an die Aktionäre der thyssenkrupp AG in dem Verhältnis ihrer Beteiligung an der thyssenkrupp AG übertragen. Vor dem Handelsstart, welcher für den 20. Oktober 2025 geplant ist, erhält jeder Aktionär der thyssenkrupp AG voraussichtlich:

- für jeweils 20 nennwertlose Inhaberaktien der thyssenkrupp AG (ISIN DE0007500001; WKN 750000)
- 1 nennwertlose Inhaberaktie der TKMS AG & Co. KGaA (ISIN DE000TKMS001; WKN TKMS00) mit einem anteiligen Betrag am Grundkapital von €1,00.

Die Aktien können nach dem Beginn des Handels an der Frankfurter Wertpapierbörse, der voraussichtlich am 20. Oktober 2025 erfolgen wird, an der Frankfurter Wertpapierbörse gekauft und verkauft werden.

Wer ist die die Zulassung zum Handel beantragende Person?

Zulassung zum Handel

Die Gesellschaft wird die Zulassung zum Handel zusammen mit der Deutschen Bank beantragen.

Weshalb wird dieser Prospekt erstellt?

Der Zweck dieses Prospekts ist es, die Aktien zum Handel an der Frankfurter Wertpapierbörse zuzulassen.

Keine Erlöse, Kostenübernahme der Zulassung zum Handel

Weder die Gesellschaft noch die Bestehende Aktionärin werden im Zusammenhang mit der Zulassung zum Handel Erlöse erzielen. Alle Kosten im Zusammenhang mit der Abspaltung und der Zulassung zum Handel, die sich auf ca. €75 Millionen belaufen werden, werden von der thyssenkrupp AG übernommen.

Börsenzulassungsvertrag (Listing Agreement)

Die Gesellschaft, die thyssenkrupp AG sowie die Deutsche Bank, Citigroup Global Markets Europe AG („**Citigroup**“) und die COMMERZBANK Aktiengesellschaft („**COMMERZBANK**“) und zusammen mit der Deutschen Bank und Citigroup die „**Listing Agents**“) sowie Macquarie Capital France SA, Niederlassung Deutschland („**Macquarie Capital**“), Banco Bilbao Vizcaya Argentaria, S.A. („**BBVA**“), Crédit Agricole Corporate and Investment Bank („**Crédit Agricole CIB**“) und Société Générale („**Société Générale**“) haben am 13. Oktober 2025 im Zusammenhang mit der Zulassung zum Handel einen Börsenzulassungsvertrag (der „**Börsenzulassungsvertrag**“) abgeschlossen, gemäß dem die Deutsche Bank, Citigroup und die COMMERZBANK als die Finanzberater und die Listing Agents und Macquarie Capital, BBVA, Crédit Agricole CIB and Société Générale als weitere Finanzberater handeln (gemeinsam mit den Listing Agents, die „**Banken**“). In dem Börsenzulassungsvertrag haben sich die Gesellschaft und die thyssenkrupp AG verpflichtet, jede der Banken von und gegen bestimmten Haftungsverpflichtungen freizustellen und schadlos zu halten, die im Zusammenhang mit der Zulassung zum Handel entstehen können. Darüber hinaus haben sich die Gesellschaft und die thyssenkrupp AG für den Zeitraum beginnend ab dem Datum des Börsenzulassungsvertrags und bis sechs bzw. zwölf Monate nach dem ersten Handelstag der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse zu bestimmten Lock-Up-Verpflichtungen verpflichtet. Der Börsenzulassungsvertrag sieht vor, dass die Verpflichtung der Listing Agents, den Antrag auf Börsenzulassung im Rahmen des Börsenzulassungsvertrags zu verfolgen und zu unterstützen, von der Erfüllung bestimmter üblicher Bedingungen abhängig ist, wie z. B. dem Erhalt üblicher Bestätigungen und Rechtsgutachten, die den Anforderungen der Banken entsprechen.

Wesentliche Interessenkonflikte in Bezug auf die Zulassung zum Handel

In Bezug auf die Zulassung zum Handel bestehen keine wesentlichen Interessenkonflikte.

1 Risk Factors

In considering whether to invest in the shares (the “Shares”) of TKMS AG & Co. KGaA (hereinafter the “Company” or “TKMS”), investors should carefully consider the following risks in this section “1 Risk Factors” of this prospectus (the “Prospectus”). In the Prospectus, references to the terms “Group”, “we”, “us” or “our” are, for the period up until September 30, 2025, references to the Company and its combined subsidiaries and TKMS Transrapid GmbH and, for the period thereafter, its consolidated subsidiaries.

According to article 16 of Regulation (EU) 2017/1129 (the “Prospectus Regulation”) (as supplemented by Commission delegated Regulation (EU) 2019/980 and Commission delegated Regulation (EU) 2019/979), the risk factors featured in a prospectus must be limited to risks which are specific to the issuer and/or to the securities and which are material for investors in making an informed investment decision. Therefore, the following risks are only the risks which are specific to the Company and/or to the Company’s Shares and which are material. The following risk factors are organized into categories. In each category the most material risk factors, in the assessment undertaken by the Company, taking into account the expected magnitude of their negative impact on the Group and the probability of their occurrence, are set out first, with the two most material risk factors mentioned at the beginning of each category. The risks mentioned may materialize individually or cumulatively.

1.1 Risks Related to Our Industry and Market

1.1.1 Due to our customer structure, our business depends, directly and indirectly, on defense and security spending by national governments, international organizations, and their armed and security forces, which may be affected by geopolitical and macroeconomic developments.

We are a supplier of submarines, surface vessels, and maritime electronic systems through our subsidiary TKMS ATLAS ELEKTRONIK GmbH (“Atlas Electronics”). Our product portfolio comprises the full range of naval shipbuilding services from platform design, development, and production through to command & control and weapons deployment systems. We primarily sell our products and solutions, directly or indirectly, to the Federal Republic of Germany (“Germany”) and the national governments of other North Atlantic Treaty Organization (“NATO”) member states and NATO global partners and major non-NATO allies, as well as to certain other countries such as Australia, Brazil, South Korea, India, Israel, and their respective armed and security forces.

Almost all our revenue over the period from October 1, 2021 to September 30, 2024 and over the nine-month period ended June 30, 2025 originated, directly or indirectly, from national government defense and security-related programs, either through direct sales to these national governments and their associated armed and security forces or indirectly through the procurement of third-party products and platforms that contain components supplied by us.

Funding for defense contracts awarded by national governments or international organizations can fluctuate and depend on numerous factors that are beyond our control. Such factors include, among other things, national budgets and associated governmental appropriations processes, geopolitical events and developments, and macroeconomic conditions and fluctuations. For example, the Russian war of aggression against Ukraine (the “Russia-Ukraine Conflict”) and the general deterioration in the international security situation in recent years, including the armed conflict between Israel and Hamas as well as Israel, the United States of America (“US”) and Iran and further military tensions in the Middle East and the potential for conflict between the People’s Republic of China (“China”) and Taiwan, have put pressure on many governments around the world to allocate more funding to national defense even as the adverse economic impacts of such conflicts have put pressure on such governments’ national budgets. As a result, potential economic challenges, such as from future geopolitical events impacting the global macroeconomic outlook could lead national governments to reallocate discretionary funding from their defense budgets to other areas, such as economic stimulus measures.

Equipment expenditures by the German government for the naval component (*Deutsche Marine*) of its armed forces (*Bundeswehr*) accounted for approximately a quarter of our revenue for the fiscal year ending September 30, 2024,

and we expect to continue to depend on the development of the German government's defense spending in the future. The German government is planning significant increases in defense spending to address growing security concerns in Europe. The German government has removed certain restrictions on debt rules from the country's constitution (*Grundgesetz*) to allow for higher defense expenditures, exempting defense spending exceeding 1% of gross domestic product ("GDP") from borrowing limits. These measures are part of a broader effort to strengthen Germany's military capabilities and ensure the country's military readiness in response to recent geopolitical tensions. Other European countries have announced similar measures and increases in their defense budgets.

While we expect Germany and other European countries to follow through with such spending increases, there can be no assurance with respect to the levels of future defense spending by Germany or such other countries, that any such future spending will be allocated to purchase naval equipment, or that defense contracts will be awarded to us. In particular, Germany and other countries might choose to reevaluate their budgets and their defense spending for the coming years as a result of, for example, a sustained economic downturn, for example due to increasing restrictions on global trade (see "1.1.3 Diplomatic tensions and increasing protectionist measures such as tariffs in countries or major regions in which we or our customers operate could have a material adverse impact on our business and results of operations."). Any economic downturn could lead to a GDP contraction or lower-than-expected growth and result in defense spending in Germany or other countries decreasing or not growing as much as anticipated. Germany in particular, due to its historically significant reliance on exports, may suffer economically from a decline in global trade. Such a development could result in political pressure in Germany and other affected countries to reduce spending on defense in favor of other priorities designed to mitigate the impact of slower, or negative, economic growth.

The occurrence of any of the risks described above could have a material adverse effect on our business, financial condition, and results of operations.

1.1.2 Our international business is subject to export control regulations and import restrictions applicable to our products and supply chains, including government approval requirements, as well as government or industrial preferences or policies that favor domestic suppliers in markets where we might otherwise sell our products.

Almost all products in our portfolio qualify as military or dual-use goods (usable for both civil and military purposes) under applicable export control regulations and as such may be subject to various sales and export restrictions. Sales and export restrictions pose challenges (such as additional costs and compliance requirements) and, in some cases, may limit or prevent our access to certain markets or end-customers, such as China. Certain navies, such as the US Navy for surface vessels and submarines, have historically favored national suppliers. These limitations may reduce our potential revenue and ability to expand the markets for our products. Restrictions include, in particular, export controls and licensing requirements. Also, our supply chain may be subject to export control regulations or import restrictions relating to the countries where certain of our suppliers are located. As a result, cross-border deliveries of components by our suppliers have been, and may continue to be, delayed or become more expensive because required approvals could not be obtained in time or at all. Applicable export control regulations include, among others, the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*), the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*) and the German War Weapons Control Act (*Gesetz über die Kontrolle von Kriegswaffen*), as well as similar laws in other jurisdictions.

The markets for products in the defense and government environment are dependent on political decision-making. We are therefore constrained by opinions on export control law, the stipulations made by the countries in which our suppliers are located, the German government's opinion or actions taken by the German government which impact our suppliers and our international customers, and the respective political environment in customer countries. In recent years, political distress, warfare, terrorist attacks, changing attitudes regarding globalization and other economic and geopolitical developments have led to the introduction of new export controls or the stricter application of existing export controls in a number of jurisdictions around the world, such as the recent decision by the German

government to suspend certain arms exports to Israel. Export controls can change or be newly introduced on short notice, be difficult to interpret or be applied by government authorities in unexpected ways. Any such increases in or tightening of export control regimes could disrupt our manufacturing processes and further limit our revenue potential. In addition, there can be no assurance that our internal controls and compliance systems are or will be adequate enough to address all applicable compliance risks, exposing us to the possibility that we inadvertently fail to comply with certain legal restrictions on imports or exports and incur penalties or reputational damage as a result (see “1.3.3 We may fail to comply with applicable laws and regulations, or changes in such laws and regulations.”).

The materialization of any of these risks, in particular current or new export controls or a delay in government approvals, could adversely affect our ability to produce, market and sell our products across global markets and adversely affect our supply chains, which could have a material adverse effect on our business, financial condition and results of operations.

1.1.3 Diplomatic tensions and increasing protectionist measures such as tariffs in countries or major regions in which we or our customers operate could have a material adverse impact on our business and results of operations.

Diplomatic tensions and protectionist measures between countries, such as the aggravation of trade relations between the US and the rest of the world, in particular with China, through imposing or threatening to impose tariffs, as well as the conflicts between China and Taiwan and armed conflicts such as the Russia-Ukraine Conflict and the armed conflicts between Israel and Hamas and between Israel, the US and Iran, as well as further military tensions in the Middle East, have already led and can lead in the future to volatile financial markets and unfavorable developments for global trade and industry. Recent trade tensions have intensified as the US has imposed or threatened to impose new or higher tariffs on imports from its key trading partners including Mexico, Canada, China, the European Union, Japan, South Korea and others, citing strategic competition and concerns over practices such as trade imbalances and intellectual property issues. These actions have, in some instances, triggered retaliatory measures or threats to retaliate, disrupted global supply chains and signaled a potentially broader transformation in the global trading system, with attendant risks to economic growth and stability and international cooperation.

While military conflicts may increase demand for our products to some extent, if diplomatic tensions or military conflicts were to escalate further, or new tensions and conflicts were to emerge, there can be no assurance that we would not be directly and adversely affected by any resulting economic downturn. The imposition of limitations on international trade or the decoupling of international trade relations or supply chains in anticipation of future limitations or conflicts may have a negative impact on the export economy in general, and on our revenue and results of operations in particular (see also “1.1.1 Due to our customer structure, our business depends, directly and indirectly, on defense and security spending by national governments, international organizations, and their armed and security forces, which may be affected by geopolitical and macroeconomic developments.”). We particularly see the risk that individual countries might increase protectionist measures to protect their domestic market, and other countries may institute corresponding retaliatory responses. As a result, we may be required to restructure certain aspects of our business, in order to comply with such protectionist measures, for example through the establishment or acquisition of local subsidiaries. These or similar actions may require us to incur additional costs and may not be adequate or even possible. In addition, protectionist trends might result in market access barriers, such as higher tariffs or more complicated certification processes in order to reduce imports, potentially resulting in a full international trade war.

There are also uncertainties due to budgetary constraints of public sectors in many countries and resulting demands for local content and technology transfer. Especially in volatile times, countries may seek to localize their spending across the value chain in sectors such as defense to support their own economies and reduce reliance on imports and foreign manufacturers. Such trends can have an impact on the decision-making and spending of potential new and existing customers and in turn have an impact on our Order Intake (as defined in “1.2.7 We may not be able to realize revenue presented in our Order Intake and Order Backlog.”) and revenue. Furthermore, such trends may impact our

compliance and export control processes and increase the burden and cost for complying with the relevant laws and regulations (see also “*1.1.2 Our international business is subject to export control regulations and import restrictions applicable to our products and supply chains, including government approval requirements, as well as government or industrial preferences or policies that favor domestic suppliers in markets where we might otherwise sell our products.*”). We regularly cooperate and expect to need to cooperate in the future with third-party contractors or establish subsidiaries in other countries to address such localization requirements, to win contracts and remain competitive. The establishment of reliable partnerships and/or subsidiaries may incur additional expenses that cannot be passed on to customers, may take an extended period of time and/or result in additional complexity. In addition, such measures may not be successful to counteract localization trends.

Such diplomatic tensions and increasing protectionist measures in countries or major regions in which we or our customers operate could therefore have a material adverse effect on our business, financial condition, and results of operations.

1.1.4 We operate in competitive markets, although the degree of competition may vary from market to market.

We operate in markets characterized by a high degree of competition, although the degree of competition may vary from market to market. Some of the markets in which we operate—particularly markets where we do not have longstanding governmental relationships—are particularly competitive and characterized by changes in market penetration, price competition, and the development and introduction of new products, product designs and technologies. In Europe, for example, we face frequent competition during tenders for submarines and surface vessels from a group of well-established industry competitors, such as Naval Group (France), BAE Systems (UK), Fincantieri S.p.A. (Italy) (“**Fincantieri**”), Navantia (Spain), Naval Vessels Lürssen (Germany), which is in the process of being acquired by the German defense company Rheinmetall AG, Damen (Netherlands), and Saab (Sweden). In the Atlas Electronics segment, our competition is more fragmented, with key players including the Thales Group (including its international and German subsidiaries), Ultra, Rohde & Schwarz and Hensoldt. In these markets, we compete primarily on the basis of price, quality, innovation, delivery times and design, as well as the ability to provide engineering support, repair know-how and the other services we can provide. Should we fail to maintain the quality and reliability of our products and services as well as the reliability of our supply chain in the future, our customers may decide to procure products from our competitors. Further, competitors may seek to increase their market share by offering customers highly competitive prices. Such competitive pricing increases the pressure on our segments to make production more cost-effective in order to remain competitive and continue to secure customer orders without the erosion of our margins.

We also face competitive pressure with respect to localization requirements and export controls in many of the markets in which we operate, including our core sales markets, such as Germany. For example, in the defense sector, the markets accessible to us with respect to submarines and surface vessels are characterized by relatively few large procurement projects, which require long implementation periods and frequently feature only a limited number of product units. Governments increasingly require localized production and servicing capabilities before awarding contracts or favoring local competitors in order to help ensure continuous supply, which could force us to enter into local partnerships or invest in local production capacities. Negotiating with governments or government related entities is also subject to certain restrictions that may limit our potential to secure projects on favorable terms (see “*1.2.12 Contracting with governments involves increased compliance requirements, procurement processes that can limit pricing flexibility, and may be subject to localization or knowledge transfer requirements, which can impact our profits.*”). Furthermore, export controls in our home markets increasingly affect the decision-making of potential customers. Lengthy processes by the responsible German authorities may result in permits not being granted for deliveries of our products in a timely manner, which may result in customers seeking alternative suppliers (see also “*1.1.3 Diplomatic tensions and increasing protectionist measures such as tariffs in countries or major regions in*

which we or our customers operate could have a material adverse impact on our business and results of operations.”).

The naval defense sector is characterized by changing requirements to the existing product base. The increasing use of autonomous systems and so-called multi-domain combat operations, in which air, land, naval, space and cyberspace forces need to operate in an increasingly coordinated manner, are introducing new levels of technological complexity. In order to be able to provide competitive products, we are required to continuously innovate and adapt our product offerings to rapidly changing technological and operational requirements, which we may not always be able to accomplish (see also “*1.1.5 We are exposed to market trends and technological developments, and we may not be able to adapt sufficiently or in a timely manner.*” and “*1.2.18 Our R&D activities may not lead to the development of commercially successful products.*”).

Some of our competitors may have greater financial resources, and/or greater access to more profitable jurisdictions in terms of military spending (such as the US), than we do and may have more extensive or more specialized engineering, manufacturing, and marketing capabilities than we do in some areas. This may limit our ability to win competitively awarded contracts or to obtain orders under multi-award contracts.

If we are unable to offer and sell our products and services on favorable terms as compared to our competitors, this could have a material adverse effect on our business, financial condition, and results of operations.

1.1.5 We are exposed to market trends and technological developments, and we may not be able to adapt sufficiently or in a timely manner.

Our success depends on our ability to recognize and accurately predict market trends and technological changes and to develop and bring new and improved products to the market in a timely manner. Anticipating the need for new developments and improvements is particularly challenging for many of our products given the level of complexity and the high degree of technical expertise and precision needed to design, develop, and manufacture them. We expect such demands for our products to increase further in the future as the future naval battlespace is expected to be increasingly multi-domain and highly inter-connected, requiring advanced and innovative technologies. In addition, emerging areas such as autonomous systems, the use of artificial intelligence (“**AI**”) in our products and our manufacturing processes, robotics and seabed warfare characterize a rapidly evolving naval defense sector. As a result, we are continuously required to innovate and adapt to changing customer requirements. Although we invest in technology, new materials and innovation which we believe will be critical to our long-term growth and seek to continually adapt our expertise in response to emerging technological innovations, industry standards and customer requirements or preferences, these are challenging undertakings in which we may not be successful. In addition, there can be no assurance that our predictions as to market trends and technological changes will later prove to have been accurate or that our investments will prove successful within the expected timeframe or at all (see “*1.2.18 Our R&D activities may not lead to the development of commercially successful products.*”).

Due to the complex and advanced nature of our technology and products, we may also face technological challenges that arise during the manufacture of new products, which may result in cost increases, quality issues or delivery delays.

Further, as digitization rapidly progresses and has a transformative effect on the naval defense sector, exemplified by the expanding use of uncrewed vehicles and mission systems and advanced software systems, including AI-driven tactical solutions, our SonarAI program, digital infrastructure and data analytics, the pace at which we implement digital technologies and adapt to these trends represents an important success factor for us. If we are unable to keep pace with these trends, this might pose a risk to our market position.

There can be no assurance that we will be successful in developing new products or systems or in bringing them to market in a timely manner or at all. Further, products or technologies developed by others could cause our offerings to become outdated or non-competitive or our customers may substitute competing products for our products or adopt

alternative technologies to ours. There can be no assurance that the market will accept our innovations, or that our competitors will not be able to produce similar or identical products more inexpensively or with better technological capabilities. We may not be able to anticipate our customers' needs and provide products to meet those needs and may not be able to adjust our cost structure in the event of a contraction of demand. Should we fail to develop appropriate strategies as a response to market trends or fail to enhance existing products, develop new products, or keep pace with developing technology, growth opportunities or existing customers could be lost. Furthermore, if we devote resources to the pursuit of new technologies and products that fail to be accepted in the marketplace or that fail to be commercially viable, all or part of the associated costs may be lost.

The materialization of any of these risks could have a material adverse effect on our business, financial condition, and results of operations.

1.2 Risks Related to Our Business and Products

1.2.1 Any reduction in government defense budgets or the defense budgets of international organizations allocated for naval warfare or a delay in the spending of defense budgets already allocated has the potential to materially affect our revenues.

Our revenue is generated by the defense spending of our close partner countries, which include the EU and its member states, members of NATO, NATO-partner nations and other countries. Our customers include governments, government agencies, international organizations as well as companies that rely on government spending to purchase our products and services. We are therefore dependent on defense spending allocated for naval warfare by these customers and therefore on the quality of our relationships with them. Government programs may be cancelled, delayed, or amended based on many factors over which we have no control, including priorities in defense spending, general socio-political considerations, general macroeconomic or geopolitical conditions or changes in government or administrative policy. For example, the current geopolitical climate is characterized by an increased level of global conflict and uncertainty regarding traditional military alliances, driving global demand for defense products.

However, a decline in such conflicts and a normalization in international alliances could adversely affect governments' willingness to increase or maintain defense spending and may lead to the cancellation of already budgeted projects. Accordingly, we may face uncertainties in planning and managing our resources. In addition, government spending programs, even if previously approved, are typically subject to budgetary restraints and annual reviews and adjustments and may, therefore, be cancelled at any time. Further, the scope and scale of government spending programs can be heavily influenced by a country's current general political climate and administration as well as changes in political or public support for security and defense programs. Especially in the context of elections, government spending on defense may be subject to heightened scrutiny or extensive political debate. Budget and appropriations decisions made by governments are beyond our control and can have long-term consequences on how our business is conducted. Spending priorities and levels remain uncertain and difficult to predict and are affected by numerous factors including government shutdowns, political developments, and potential alternative funding arrangements. A change in governmental spending priorities or an increase in non-procurement spending at the expense of programs relevant to us could have material adverse consequences on our current or future business.

Moreover, the budgetary decision-making processes of governments are often time-consuming, and dependent on policies and prioritizations that may vary from nation to nation. For example, defense-related appropriations may rank lower than appropriations for other areas in terms of a national government's spending priority. Even when a budgetary decision regarding a certain defense program or project has been approved, it may take substantial time until specific contracts are awarded as procurement decisions in the naval defense market are typically made within multi-decade frameworks, with the average tender process for a submarine or surface ship lasting between three and five years, production timelines (including engineering, procurement and construction) lasting between five to ten years and operational service lives at or exceeding 40 years (source: *Company information*). Production timelines can also vary significantly depending on the number and complexity of the vessels involved. In addition, changes in

the political composition of national governments due to elections, or financial, economic, or diplomatic crises, may lead to policy reversals and budget cuts related to military spending, which might reduce the funding of current or future projects in which we participate or might participate, or might delay or cause the termination of such projects.

In Germany, for instance, procurement projects by the German Armed Forces (*Bundeswehr*) in excess of €25 million require parliamentary approval by the defense and budget committees of the German Federal Parliament (*Bundestag*), the process for which can be lengthy and difficult to predict due to the varying priorities of the stakeholders involved. More specifically, after a contract with a value in excess of this threshold has been negotiated with the Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (*Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr*, “BAAINBw”), the BAAINBw must submit a proposal for parliamentary approval, which is reviewed by the federal ministries for defense and finance and then tabled at meetings of the defense and budget committees of the German Federal Parliament (*Bundestag*). Only once each committee has given its approval may the BAAINBw enter into the pre-negotiated contract.

In addition, the allocation or reallocation of a national government’s existing or future defense budgets, for whatever reason, might not prioritize naval defense spending (for example the redistribution of budgetary allocations for personnel expenditures rather than equipment procurement), or governments may ultimately decide not to launch programs for which we have developed pipeline systems or platforms (so called “go risk”) or might develop preferences for the systems and platforms developed and produced by our competitors rather than our product offerings, resulting in us losing a tender (so called “get risk”).

The German government has removed certain restrictions on debt rules from the country’s constitution (*Grundgesetz*) to allow for higher defense expenditures, exempting defense spending exceeding 1% of GDP from borrowing limits, as part of a broader effort to boost defense spending. However, allocation of these additional funds has only partially been implemented, and it remains uncertain if and when funds will be used, or to which extent this will benefit the German Navy (*Deutsche Marine*). There can be no assurance that the high levels of funds allocated to defense will be maintained in the upcoming years, and they may not be increased as announced and may even decrease.

In addition, as Germany is one of the leading participants and decision makers for European and international defense projects, defense spending decisions by the German government may influence defense spending decisions of other countries in Europe which are also our customers or potential customers, adversely impacting our business. For example, if the previously communicated increase in Germany’s defense budget is not pursued, or if the German political environment changes towards decreasing government defense spending, this may also impact or jeopardize our business prospects related to major European or international defense projects.

As a result of our reliance on defense spending by governments, government agencies and international organizations, any significant disruption or deterioration of our relationship with governments, government agencies or international organizations as well as a reduction in defense budgets or a shift in such customers’ priorities away from naval forces would have the potential to significantly reduce our revenue and have an adverse impact on our business, financial condition, and results of operations.

1.2.2 We generate a significant amount of our revenue from a limited number of large customers.

In general, and in particular in our Submarines segment and in the Surface Vessels segment, we depend on certain large customers and a limited number of projects for a significant proportion of our revenue. Over the last five years, our top ten customers have collectively accounted for more than 95% of our total revenue. We may experience reduced sales to or fail to attract new business from these customers for a number of reasons, including, but not limited to, reductions in our customers’ defense budgets or because budgets are not allocated to naval warfare products, loss of awarded business or cancellations of ongoing projects, failure to provide a competitive bid for new projects, or an actual or perceived deterioration in the quality of our products. In the event of such a loss of business from one or more of our large customers, we may find it difficult or impossible to replace such business or even a portion thereof from other customers.

In addition, there are a limited number of relevant defense projects that are open to our participation and particularly attractive to us, and we are therefore dependent on successful inclusion in such projects.

The loss of all or a substantial portion of our sales to any of our large customers could have a material adverse impact on our business, financial condition, and results of operations.

1.2.3 Our future business success depends on our ability to maintain the high quality of our products, processes and delivery performance.

We manufacture technologically complex products that, due to their applications and the markets in which they are used, must meet high quality standards and adhere to strict tolerance ranges. It is normal for quality issues to arise in such an environment and this is also the case for the Group. Products already in the market are subject to risks related to the product quality expected by customers. A decline in the actual or perceived quality of our products and processes could damage our image and reputation. This can occur due to a variety of factors including flaws in product design, the miscalculation of orders, changes in economic and technical conditions, problems in project management or inadequate performance by subcontractors. In addition, defective products could result in a loss of sales, compensation claims, loss of customers and loss of market acceptance or could damage our reputation and market perception, which, in turn, could have an adverse effect on our sales and results of operations. Moreover, we may be required, contractually or otherwise, to correct such product or design defects or quality issues. This could result in increased costs for our business, which are not always covered by our insurance policies and may require us to establish provisions. These costs may be further exacerbated if any defects in or issues with our products are only detected after they have been delivered to our customers and may therefore require complex repairs. Furthermore, our customers could potentially bring claims for damages, even if the cause of the defect is remedied at a later point in time. As a manufacturer, we are currently and may, in the future, be subject to regulatory inquiries and legal proceedings, if specifications and quality assurances in respect of our products are not met.

In some countries, certain product certifications with regard to specifications and quality standards are necessary or preferred in order for these products to be accepted by customers and markets. As such, we need to be able to obtain and maintain the relevant certifications so that we are able to sell products in such countries. In addition, some customers also require us to maintain certain product quality standards and conduct inspections at regular intervals to ensure we maintain these standards. Any failure to meet or maintain the requirements needed to secure or renew such certifications or meet the required product quality standards could result in a material adverse effect on our business, financial condition, and results of operations.

We face potentially elevated operational and quality risks related to the ongoing ramp-up of our recently acquired shipyard in Wismar. As we continue to convert the shipyard in preparation for the construction of both surface vessels and submarines, we may encounter unforeseen challenges related to, for example, legacy infrastructure and deficiencies in existing utilities, quality standards, delays in construction or the delivery of construction materials or equipment or labor shortages, delays in the ramp up of our work force, supply chain disruption, regulatory compliance issues or unexpected site conditions. Such delays, if they occur, could impact our ability to begin construction on a number of projects, most notably the New Polarstern icebreaker research vessel, which is planned to be constructed in Wismar, or, potentially, frigates of the expected F127 frigate program. Any delay in commencing work on these projects could result in corresponding delays in their delivery to our customers.

Delivery capabilities and delivery performance represent key competitive factors to our business. Our products usually have a long delivery period and a failure by us to meet contractual delivery dates, which has occurred from time to time in all of our segments, could result in contractual penalties, expose us to damage claims from our clients, lead to a loss of customers or have a negative impact on our reputation.

If we are not able to maintain the high quality of our products and processes and the punctual delivery of ordered goods, this could have a material adverse effect on our reputation as well as our business, financial condition, and results of operations.

1.2.4 A disruption in our supply or delivery chain may cause us or one or more of our suppliers to halt production.

The logistics processes in our industries and end-markets are exposed to potential disruption in our supply and delivery chains. From time to time, we experience supply chain disruptions, for example at the beginning of the Russia-Ukraine Conflict, certain construction components for surface vessels were hard to obtain. Such disruptions could significantly delay our production or force us to maintain inventory at higher than optimal levels, which may negatively impact our available cash flows. Such disruptions may occur for various reasons, which, both individually and in the aggregate, can increase pressure on our supply and delivery chains and could lead to production delays. Dependence on some of our single-source suppliers magnifies these risks. Reasons for such disruptions include the closure of supplier facilities or critical manufacturing facilities due to labor strikes or labor shortages, insolvencies or other financial instability, mechanical breakdowns, electrical outages, fire, explosions and public health crises, such as pandemics, and trade conflicts. We may also regularly face interruptions in supply and delivery chains if the quality or quantity of the components or raw materials delivered to us by our suppliers do not meet our requirements. In addition, closure or disruptions along our supply chain or the supply chains of companies within our industry may lead to additional pressure on other suppliers and the transportation infrastructure due to higher-than-expected order volumes, which suppliers or logistics companies may be unable to process due to *e.g.*, the unavailability of skilled labor or production facilities. Additional relevant factors may be logistical complications resulting from newly imposed tariffs, tightening of export control regulations, natural disasters, mechanical failures, and delayed customs processing as well as ongoing military conflicts such as the Russia-Ukraine Conflict or attacks by the Houthis on international shipping routes in the Red Sea (see also “*1.1.3 Diplomatic tensions and increasing protectionist measures such as tariffs in countries or major regions in which we or our customers operate could have a material adverse impact on our business and results of operations.*”).

A shortage of components necessary to manufacture our products or of raw materials required by our suppliers could cause delays in our production schedules. Missing supplies could cause us to experience a backlog in our production, assembly and testing operations as well as assembly interruptions. In such cases we may not always be able to identify supply and delivery alternatives in a timely manner or at all. Supply chain disruptions could cause us and have on occasion caused us in the past, to increase inventory levels, which could have a negative effect on our working capital and therefore our cash flow.

Even when products are ready to be shipped, or have been shipped, delays may arise before they reach our customers. We may be required by the customers to identify and correct the cause of the problem if we fail to make timely deliveries, for which we may incur our own costs. Any such disruption in our supply and delivery chains may result in delays and trigger penalty payments under our existing customer contracts and could have a material adverse effect on our business, financial condition, and results of operations.

1.2.5 We depend on our ability to attract and retain qualified executives, key employees and skilled and qualified personnel.

Our success and growth ambition depend on attracting and retaining qualified directors, executive officers, senior management, key employees (including employees with requisite security clearances from the governments with which we contract) and other skilled and unskilled personnel. As of September 30, 2025, we had approximately 9,100 employees (including temporary agency workers). We rely on our skilled and unskilled personnel to fulfil our contractual and anticipated future obligations. Therefore, the loss of executives, key employees and other personnel or the failure to hire additional skilled personnel that we require could have a material adverse effect on our market and financial position. Due to intense competition within the industry there is a risk of losing qualified employees to competitors or being unable to find a sufficient number of appropriate new employees to support our growth strategy, in particular in our newly acquired shipyard in Wismar, where we aim to create approximately 1,500 additional jobs by the end of 2029. In addition, approximately 10% of the Company’s workforce in Germany is expected to retire in

the next ten years, resulting in a potential loss of a considerable amount of expertise, which may in turn be gained by competitors.

There can be no assurance that we will be successful in retaining our executives and employees in key positions or in attracting new employees with corresponding qualifications, for example through performance-based remuneration systems. There is a risk that any such individual will leave us, including as a result of negotiations of collective bargaining agreements on terms that may be regarded as below market standard by employees.

The success of our operations and growth strategy will also depend on attracting and retaining skilled and unskilled personnel (including the need to identify, recruit, train and integrate additional employees) while also maintaining our high-quality standards and implementing our standardized processes and quality management globally. The labor markets for production staff in some of the countries in which we are active, such as Germany, Brazil, the United Kingdom and others, are characterized by intense competition for qualified personnel and, in the case of Brazil, an increased turnover-rate.

If we are not able to attract and retain executives, key employees, and qualified personnel, this could hinder our growth, undermine our competitive position and have a material and adverse effect on our business, financial condition, and results of operations.

1.2.6 Our operations rely on complex IT systems and networks, which may be breached, attacked, or impaired.

We rely on centralized, standardized information technology (“IT”) systems and networks to support our business processes and internal and external communications. These systems are subject to heightened security requirements due to our operations in the defense business, including the ISO27001 and the “*VS-NfD Merkblatt*” published by the Federal Ministry for Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*, “**BMWE**”). Any failure in the operation or breach of these IT systems could result in material adverse consequences, including disruption of operations, loss of information or an unanticipated increase in costs.

Moreover, there is the risk of unauthorized access, theft and destruction or misuse of business data and information. As a business that is active in the defense industry, we are a target of interest for governmental and non-governmental individuals and organizations. We have in the past experienced, and continue to experience, attempts to compromise or breach our IT systems with a view to accessing our data or otherwise interfering with our operations, including through the use of malware, ransomware and social engineering. While we have not suffered any material loss of data or significant interruptions to our business operations to this date, such failure of our IT systems or failure by us to prevent the compromising of our IT systems could cause economic loss for which we could be liable, result in the theft of sensitive or confidential information, and may expose us to governmental investigations, disciplinary actions and fines, in particular with regards to classified information. A malfunction of our data security measures, or a cyber-attack, the number of which has been steadily increasing in recent years, could enable unauthorized persons to gain access to classified information or sensitive business or personal data, including information regarding our intellectual property, trade secrets, proprietary know-how or business strategy or that of our customers. This is an evolving risk due to increasing global cyber-crime and industrial espionage activities. At the same time, increasing dependence on digital sales and customer care increases our exposure and susceptibility to cyber-attacks. Increased cyber warfare as a result of an increased level of global conflicts, such as the Russia-Ukraine Conflict, has also caused increased levels of industrial espionage and cyber-crime. There can be no assurance that the security measures we have put in place will continue to successfully defend us against these attacks or that our insurance coverage will cover any associated losses.

Further, our ability to keep our business operating depends on the proper and efficient operation and functioning of various IT systems, which are susceptible to malfunctions and interruptions. Parts of our IT infrastructure could malfunction as a result of accidents, disasters, technical faults, human error, cyber-attacks, sabotage and a range of other hardware, software or network problems, thereby impairing or completely disrupting business processes. For

example, in June 2025, we experienced a widespread disruption due to a software issue with our approved virtual private network product from an external supplier, which impacted all our end devices and the end devices of the supplier's other clients. Although our IT department responded promptly, deploying a workaround within four hours and restoring full functionality across all locations after 36 hours, there can be no assurances that the measures we take and regularly review to mitigate digital threats will be sufficient to prevent certain types of security vulnerabilities or system impairments. Future actual or perceived security vulnerabilities or system impairments could result in significant additional costs to address issues caused by any such vulnerabilities or system impairments. Any failure of our IT systems could also cause damage to our reputation, which in turn could negatively impact our business.

We have in the past experienced insider threats that also pose a risk to the integrity and confidentiality of our information assets. For example, within the last five years, a departing employee transferred a large volume of marketing and commercial-related internal company documents to a personal email account before moving to a competitor, presumably to use these documents in a new position. In response, we initiated criminal proceedings under section 23 of the German Act on the Protection of Trade Secrets Act (*Geschäftsgeheimnisgesetz*, "GeschGehG") and cooperated fully with the police, who subsequently seized electronic devices during their investigation; the competitor has since terminated the former employee's contract, and we are preparing civil action to enforce our rights and maintain the confidentiality of proprietary information. We can make no assurance that we will not experience insider threats in the future.

In addition, from time to time, we may be required to make investments to maintain and/or upgrade our IT systems and networks and such investments may be significant, take longer than expected or cause disruptions to our existing systems.

Any materialization of the risks associated with our IT systems could have a material adverse effect on our business, financial condition, and results of operations.

1.2.7 We may not be able to realize revenue presented in our Order Intake and Order Backlog.

We present order intake and order backlog as operational key performance indicators in this Prospectus. Our order intake refers to binding customer contracts and binding purchase orders concluded in the respective reporting period at the respective contract price, including expected fixed price escalations agreed over the respective contract term but excluding variable price escalations which are only considered in the reporting period in which variable price escalations amounts are billed to our customers ("**Order Intake**") and our order backlog represents the portion of the associated contract price reflected in Order Intake for which the amount of revenue has not yet been recognized over time in accordance with International Financial Reporting Standards as adopted by the EU ("**IFRS**") 15 ("**Order Backlog**"). We apply two different sales revenue recognition methods depending on the nature of the transfer of the underlying goods or services, recognition of revenue at a point in time, which we generally apply with respect to the delivery of less complex and less customer specific products, and recognition of revenue over time, which we apply to all construction contracts in our Submarines and Surface Vessels segments and other products / services, if applicable according to the IFRS 15 standard. There can be no assurance that the terms of these contracts will not change, or that the Order Intake or Order Backlog will result in an actual recognition of the expected revenue and growth rates within the period initially anticipated, or at all. We may experience variation in the realization of revenue from our Order Intake and Order Backlog due to, among other things, delays or cancellations, scope adjustments, external market factors and economic factors beyond our control, as well as internal factors such as labor strikes and work stoppages or the failure of key machinery or production systems or unavailability of our production halls, cranes or docks.

If our Order Intake or Order Backlog fails to generate revenue as anticipated, our business, financial condition or results of operations would be materially and adversely affected. Our Order Intake and Order Backlog do not provide a precise indication of the time period over which we are contractually entitled to generate such revenue and there is

no assurance that such revenue will actually be generated in the time frames anticipated, or at all. Our Order Intake and Order Backlog are computed based on facts known and assumptions deemed appropriate as at the computation date, both of which are subject to change.

Our definition of Order Intake and Order Backlog may also not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of Order Intake and Order Backlog reported by us may not be comparable to similar metrics reported by such other companies.

1.2.8 We are dependent on third-party suppliers who may not be willing or able to supply us with the quality and/or quantities of components we require in a timely and/or economic manner, or at all.

We purchase a variety of components from third-party suppliers and may face price increases from such third-party suppliers due to a variety of factors, such as the recent and ongoing levels of inflation, which could make such contracts with third-party suppliers no longer commercially attractive or viable for us. In instances of such price increases, our general strategy is to pass along these increased costs to our customers, however, this may not always be possible, for example because the supplier contract relates to components needed for a product for which we have already agreed a fixed price with the customer for whom we are manufacturing that product. Particularly for such customer contracts for which we are unable to pass on increased prices, we may need to re-negotiate prices with third-party suppliers or switch suppliers, which may not be possible. For certain components, we depend on a limited number of suppliers, or in some cases a single supplier and may thus be dependent on these suppliers for the required components and supplies. In addition, we cannot assure you that such suppliers would be able or willing to continue providing us with an adequate quantity of components of the required quality in a timely manner or at all, for example due to a surge in market demand that such suppliers are unable to accommodate.

It may be difficult for us to find other suppliers that can supply us with components in sufficient quantity and quality on a timely and cost-effective basis, if at all. For example, due to the long lifetime of our products, it can occur that certain suppliers of necessary components may go out of business, decide to no longer produce those components, in particular electronic components which they may consider to be outdated or unprofitable, and we may be required to enter into special agreements with them that may be more costly or stock up our inventories if we are not able to identify alternatives in a timely manner or at all. In addition, some suppliers may be affected by scarcity of materials or energy, as a result of geopolitical tensions, including global tariffs or armed conflicts such as the Russia-Ukraine Conflict.

If we are unable to secure suitable and sufficient sources of necessary components used in our manufacturing and assembly processes, or if we are unable to secure such supplies on price terms favorable to us, this could have a material adverse effect on our business, financial condition and results of operations.

1.2.9 We are subject to risks related to our global operations.

Our business is subject to certain risks associated with doing business internationally. Most of our operations are in Germany, but we also have subsidiaries in Australia, Canada, Brazil, Denmark, Finland, Norway, Peru, the United Arab Emirates, the United Kingdom and the US, as well as several other locations. As we intend to continue to pursue growth opportunities for our business in new markets, the risks set forth below could be exacerbated.

Our global operations and our expansion in growth markets are subject to various exposures that could have a material adverse effect on those operations and our business as a whole, including:

- the burden of complying with multiple and possibly conflicting laws (*e.g.*, data protection or sanctions laws) and unexpected changes in regulatory requirements;
- foreign currency exchange controls, sanctions, import and export restrictions and tariffs, and other trade protection regulations and measures;

- political risks, including increased trade protectionism and risks of loss due to civil disturbances, acts of terrorism, state sponsored sabotage or other hostile action directed at the defense industry, acts of war or insurrection;
- interference by governments, including government-sponsored competitors, confiscation of assets, implementation of profitability caps or special taxes, levies or duties;
- underdeveloped infrastructure;
- unstable political, economic, financial and market conditions;
- currency exchange rate and interest rate fluctuations and high inflation;
- difficulties in enforcing third-party contractual obligations and intellectual property rights and collecting receivables through foreign legal systems;
- difficulty in staffing and managing international operations and the application of foreign labor regulations;
- difficulties in attracting and retaining qualified management or adequately trained personnel;
- differing local product preferences and product requirements;
- potentially adverse tax consequences from changes in tax laws, requirements relating to withholding taxes on remittances and other payments by subsidiaries and restrictions on our ability to repatriate dividends from our subsidiaries;
- difficulties ensuring the integrity and compliance of business partners, as well as business environments in which fraud, bribery or corruption are common, condoned or encouraged by private or official actors; and
- exposure to liabilities under anti-corruption and anti-money laundering laws and similar laws and regulations in other jurisdictions.

We face increasing risk due to the nature of our business as a supplier of military equipment to certain of our governmental customers, in particular NATO member states that increasingly involve state-sponsored planned or attempted coordinated physical sabotage and targeted campaigns against critical personnel and infrastructure. For example, a January 2025 report from NATO to the European Parliament confirmed that sabotage activities directed at critical infrastructure across NATO countries have included arson, attempted train derailments and assassination plots against defense industry executives, such as the widely reported threat against the Chief Executive Officer of Rheinmetall. Any escalation or increase in the sophistication of such threats could further complicate our operational and security risk profile and there is an ongoing risk that such sabotage or hybrid attacks could be directed against industries in the defense sector, including us.

Any of these factors could have a material adverse effect on our business, financial condition, and results of operation.

1.2.10 We enter into partnerships, such as consortiums or joint ventures, in which we share control and risk with our partners.

From time to time we enter or are requested or required by our government customers to enter into consortiums, joint ventures, partnerships and other forms of industrial cooperation with other companies, such as our contractual cooperation with Mazagon Dock Shipbuilders Limited in India (“**Mazagon**”), our joint venture with the German Naval Vessels Lürssen Group (“**NVL**”), our cooperation agreement with Italian Fincantieri, our special purpose company Águas Azuis Construção Naval SPE Ltda. in Brazil with Embraer Defense & Security SA and Atech SA

and others, and may continue to use partnerships and alliances as a means to develop and market certain products in the future.

Due to the shared control and risk, industrial cooperations involve a number of specific risks and uncertainties. In some cases, we may have to assume unanticipated liabilities or be required to provide additional equity contributions, while in other cases, our anticipated cash flows from these undertakings may be delayed or we may face losses or our reputation may suffer. For example, we might be held liable for the full amount of any liability of a consortium, and while we may have a legal claim against our partners for a contribution according to their share or responsibility for such liability, we may not be able to recover such contribution amounts. Our customers might also refuse to accept and pay for a jointly sold product due to quality issues outside our responsibility or control. To the extent we are not the leader of a consortium or the majority shareholder in a joint venture, we may have to follow and implement decisions, for example with respect to product design or supplier selection, which we consider adverse to our interests. Additional risks in any form of cooperation might include, for instance, our dependence on the satisfactory performance by our partners, a divergence of views between us and our partners on the identification and achievement of operating and strategic objectives, competition from our jointly developed products with our proprietary products, claims for damages or contractual penalties under the relevant agreements, regulatory requirements regarding the establishment or continuation of such cooperations and antitrust issues, and limits on our ability to exercise control or extract profits. In particular, we believe that in certain instances, the partners we have chosen to cooperate with in a tender process have caused us not to be selected for an order, whether due to quality issues, lack of experience, applicable export or other legal constraints, or political reasons, all of which might again be reasons for losing bids in the future.

For various reasons, including regulatory ones, we might desire or be forced to exit or dissolve a consortium or joint venture, which can be a long and costly process and could require us to share or transfer technology and know-how that we originally contributed. In addition, due to the relatively small number of market participants in our industry, any deterioration of our business relationship with a former partner because of either party's failure to cooperate in a partnership, or for any other reason, could have a lasting adverse effect on our attainable market and the corresponding revenue potential.

1.2.11 Environmental, social and governance matters may have an adverse impact on our business and reputation.

There has been an increased focus by customers, investors, employees, and other stakeholders, as well as by governmental and non-governmental organizations on environmental, social and governance (together, "ESG") matters. For example, an increasing number of our customers and business partners, including financing banks may put a greater focus on ESG factors in awarding business. In addition, a variety of organizations measure the performance of companies on ESG topics, including in the form of ratings, and the results of these assessments are often widely published. Furthermore, investment funds that invest in companies that perform well in such assessments are increasingly popular and major institutional investors have publicly emphasized the importance of ESG measures to their investment decisions. Many investors (for example, so-called green funds) which prioritize ESG in their investment decisions may refuse in principal to invest in companies in the defense industry, and the adoption or further refinement of ESG investment principles by certain investors might also lead to a divestment of shares of companies in the defense industry, including the Company. Topics taken into account in such assessments include, among other factors, a company's efforts with respect to mitigating, and its impact on, climate change, the transition to green energy, social issues across the entire value chain, occupational health and safety, diversity and inclusion, human rights, ethics, compliance with law and the role of a company's management in supervising various ESG issues.

Furthermore, the passing of legislation or regulations for the finance sector could cause institutional investors to restructure their portfolios and reduce or eliminate their exposure to companies that operate in the defense industry,

which could impact our share price and limit our options to raise capital. Changes to the qualification criteria for being admitted to or remaining included in certain stock indices could have a similar effect.

There can be no certainty that we will manage such issues successfully, or that we will meet society's or investors' ESG expectations. Any future ESG reporting requirements such as the new requirements under the EU Directives (EU) 2022/2464 and (EU) 2025/794 regarding corporate sustainability reporting ("EU CSRD"), which have yet to be transposed into German law but are expected to apply to us for the first time for the fiscal year starting October 1, 2025 as a listed company, is linked to a regulatory uncertainty because of on-going changing processes like the EU OMNIBUS initiative. Further, the measures we are required to take to comply with the obligations of the EU CSRD or other regulations in this area may result in increased compliance costs and additional resource requirements.

As part of our commitment to ESG matters, we have made ESG an important and integral part of our strategy, which carries significant challenges and risks. For the fiscal year ending September 30, 2024, we have published an annual sustainability report in alignment with the EU CSRD and based, as far as possible, on available data including a detailed description of our core ESG targets. For the following years, we plan to publish fully EU CSRD compliant reports. If, among other aspects, we fail to meet our core ESG targets or those of other ESG performance categories, become the subject of negative public perception or adverse publicity, lose credibility, or are unable to meet expectations on the part of our customers, investors, employees, business partners, and other stakeholders relating to our ESG strategy, or the ESG rating we intend to obtain is downgraded, this could negatively impact our reputation and brands, our relationships, employee engagement and retention and the demand for our solutions. These impacts could be difficult and costly to overcome, if possible. If we were unable to meet our targets or investors' expectations related to ESG, we could become subject to claims or allegations by such investors.

While we intend to monitor our ESG ratings, which we plan to obtain in the future, such ESG ratings may vary among the different ESG rating organizations and are subject to differing methodologies, assumptions and priorities used by such organizations to assess ESG performance and risks. Each rating by an ESG rating provider should be evaluated independently of the rating by any other ESG rating provider. There is no guarantee that the methodology used by any particular ESG rating provider will conform to the expectations or requirements of any investor or any present or future applicable standards, recommendations, criteria, laws, regulations, guidelines or listing rules. Any ESG rating obtained by the Company provides no guarantee as to the actual environmental and/or social impacts of the Company. In addition, individual company ratings may be based on only publicly available information and in other cases may be based on information supplied by the relevant companies. Therefore, the quality of information about other companies listed in rankings in which we are also listed may not be comparable, which may limit the significance of these rankings. No assurance can be given that any rating will remain constant for any given period of time or that the rating will not be lowered or withdrawn entirely if, in the judgment of the respective ESG rating provider, circumstances so warrant. The past or future issuance of any ESG ratings, which reflect low performance on ESG matters or high ESG-related risk or are not consistent with our own views or commitments may have a negative impact on our business and reputation. In addition, trying to achieve our ESG goals may result in increased costs. Standards regarding ESG could change and become more onerous and costly for us to meet. Evolving data, methods, research and reporting requirements, including science-based assessments, could undermine or refute claims and beliefs that we have made in reliance on current data, research and reporting requirements, for example, relating to our corporate carbon footprint, which could result in additional costs or negative market perception.

If we are not able to address ESG matters successfully, this could have a material adverse effect on our reputation, business, financial condition, and results of operation.

1.2.12 Contracting with governments involves increased compliance requirements, procurement processes that can limit pricing flexibility, and may be subject to localization or knowledge transfer requirements, which can impact our profits.

We are subject to various laws and regulations applicable to parties' doing business with governments and government agencies and entities, including laws and regulations governing the performance of the German and other governments' contracts and security clearance of our facilities and employees. The laws and regulations to which we are subject differ materially depending on the contracting government and conflicting rules or blocking statutes in such laws and regulations may prevent us from taking on contracts with other governments. For example, in Germany, applicable laws and regulation include, but are not limited to, the German Security Clearance Act (*Sicherheitsüberprüfungsgesetz*) and the German Secret Protection Manual (*Geheimhaltungshandbuch*) of the Federal Ministry for Economic Affairs and Climate Action (*Bundesministerium für Wirtschaft und Klimaschutz*). In addition, specific public pricing laws are applicable for procurement processes of public institutions in addition to public procurement regulations in Germany, which can impose limits on our profit margins. Similarly, in the other countries where we operate and deliver our products, our federal government contracts are subject to other procurement-related laws, rules and regulations. We are also strictly bound by contractual obligations to comply with these laws and regulations.

If we are found to have violated such laws or regulations, we may be subject to civil or criminal proceedings and penalties as well as administrative sanctions or fines. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us, as has happened in the past. As a result of the need to comply with these laws and regulations, we are subject to increased risks of governmental investigations, civil fraud actions, criminal prosecutions, whistleblower lawsuits and other enforcement actions. Moreover, responding to investigations of alleged violations can be expensive and disruptive, regardless of the merit of any allegations.

We also derive significant revenue from cost reimbursable defense contracts, where the consideration for the goods to be delivered or services to be rendered are based upon the cost incurred by us in manufacturing and delivering them. We are therefore exposed to an enhanced risk of audit by government auditors to ensure that representations of cost are accurate in all material respects and comply with applicable regulatory requirements. Misrepresentations of cost could subject us to the risk noted above.

In conjunction with defense procurements, we may also be required to enter into industrial participation, industrial development or localization agreements, sometimes referred to as offset agreements or contracts, as a condition to obtain orders for our products and services in certain countries. These offset agreements or contracts generally extend over several years and require us as a contractor to perform commitments, which may include in-country purchases, technology transfers, local manufacturing support, consulting support to in-country projects, investments in joint ventures and financial support projects, and favor local suppliers or subcontractors. The customers' expectations in respect of the scope of offset commitments can be substantial, including high-value content, and may exceed existing local technical capability. Failure to meet these commitments, which can also be subjective or outside of our control, may result in significant penalties, and could lead to a reduction in sales to a country. In addition, due to government contracts being procured through a competitive bidding process, they are much more prone to delays.

Any such requirements under agreements with governments or any violation of applicable laws or regulations could therefore have a material adverse effect on our business, financial condition, and results of operations.

1.2.13 We are exposed to fluctuations in currency exchange rates.

We operate worldwide and are therefore exposed to financial risks that arise from fluctuations in currency exchange rates. We are exposed to foreign currency risks, if a Group company performs transactions and incurs future cash flows in a currency other than our functional currency (euro). Our primary foreign currency exchange exposure is, among others, to the US dollar, British pound, Norwegian krone, Brazilian Real, Indian Rupee and South Korean won. Fluctuations in foreign exchange rates could increase or reduce the euro-equivalent value of our income, costs,

assets and/or liabilities, if denominated in foreign currency. As a result of our foreign currency exposure, fluctuations in exchange rates and, in particular a significant appreciation of the Euro against other major currencies such as the US dollar, could affect our results of operations. Further, currency volatility, particularly in emerging markets, can erode or inflate project margins and introduce additional financial uncertainty. While we utilize hedging relationships solely to hedge foreign currency risks of firm commitments, future receivables and liabilities denominated in foreign currency, there can be no assurance that any such measures will have the desired effect, or any effect at all.

Fluctuations in currency exchange rates could therefore have a material adverse effect on our business, financial condition, and results of operations.

1.2.14 If we fail to maintain an effective system of internal controls, we may be unable to accurately report financial results or prevent fraud.

Our international operations require complex administrative, financial, and operational processes at our subsidiaries and partner entities, which each have varying levels of maturity in terms of internal controls, function within a variety of legal environments and operate different information systems. This also includes internal controls in relation to defense exports where significant fines can be imposed if not pre-approved by relevant government authorities. Following the admission to trading to the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the “**Frankfurt Stock Exchange**”) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (the “**Admission to Trading**”) of its Shares, the Company will be subject to the legal requirements of German companies listed on a regulated market. This will involve changes in corporate governance, management culture, financial and non-financial reporting practices, as well as new and increased regulatory requirements, in particular with regard to internal controls, risk management and reporting (see “1.5.1 *The Group has not previously operated as a stand-alone publicly listed company and may face difficulties operating effectively and fully implementing its business strategy.*”).

Our management periodically evaluates the effectiveness of the design and operation of our internal controls. Based on these evaluations, we may conclude that enhancements, modifications, or changes to internal controls are necessary or desirable. However, there is the risk that these controls and measures may not always be effective. There are inherent limitations on the effectiveness of internal controls, including fraud, collusion, management override, and failures in human judgment. In addition, control procedures are designed to reduce rather than eliminate business risks and are generally oriented to detect systemic issues, rather than individual misbehavior.

If we fail to maintain an effective system of internal controls, we may be subject to sanctions or investigation by regulatory authorities which could lead to fines or interruptions to our operations as well as reputational damage.

1.2.15 We are routinely subject to audits by our customers on government contracts and the results of such audits could have an adverse effect on our business, reputation, and results of operations.

We are subject to routine audits by government agencies and contractors. These agencies regularly review our performance under our contracts, our cost structure, our business systems and compliance with applicable laws, regulations, and standards with a special focus on applicable pricing laws. Government agencies have the ability to decrease or withhold certain payments if they deem systems subject to their review to be inadequate or not in compliance with the governmental contract. Additionally, any costs found to be misclassified may be subject to repayment.

If an audit were to identify improper or illegal activities, we may be subject to civil or criminal proceedings and penalties as well as administrative sanctions or fines, including reductions in the value of contracts, contract modifications or terminations, forfeiture of profits, suspension of payments, contractual penalties or prohibition from doing business with the respective government (*e.g.*, prohibited from participating in future public procurement procedures). In addition, we could suffer serious reputational harm if allegations of impropriety were made against us.

1.2.16 We, our suppliers, or our customers may be unable to obtain or maintain sufficient financing, including working capital financing, and credit insurance.

Our working capital requirements can vary, depending in part on the level, variability and timing of our suppliers' production, and the payment terms with our customers and suppliers. Our liquidity could be adversely impacted if our suppliers were to suspend normal trade credit terms and require payment in advance or on delivery. If our available cash flows from operating activities are insufficient to meet our ongoing cash requirements, we would be required to rely on our cash on hand and available borrowings, as well as potential additional sources of capital, which may be unavailable on satisfactory terms, in sufficient amounts or at all. Interest rates have increased over the last three years and may increase further, thereby increasing our interest expenses associated with such borrowing and reducing future cash flow available for other purposes. There can be no assurance that we, our suppliers, or our customers will be granted financing on acceptable terms when required. This may increase the risk that we cannot finance our operating costs, manufacture our products, or meet our customers' obligations, or that we will have to pay higher prices for our input materials and components. These higher prices may not be recovered in our selling prices.

Any significant change in our need for or availability of working capital financing could have a material adverse effect on our liquidity, which in turn could have a material adverse effect on our business, financial condition, and results of operations.

1.2.17 Our business could be adversely affected by property loss and unforeseen interruptions.

Damage and loss caused by fire, accidents, military conflict, natural disasters, terrorism, political unrest, enhanced national security measures, strained international relations, severe weather or extreme weather events caused by climate change or other disruptions of production processes at manufacturing facilities or within supply chains, could affect our business or that of our customers or suppliers and may be severe. For example, activists may oppose our defense business and demonstrate or take other actions against us. Risks arising from such interruptions and loss of production are insured at levels considered economically reasonable by us, but our insurance coverage for our facilities could prove insufficient in certain cases. Furthermore, such events could injure or result in the death of individuals or damage or destroy third party property or the environment, which could, among other things, lead to considerable financial costs for us. In addition, our manufacturing processes are dependent on critical pieces of manufacturing equipment that may, on occasion, be out of service as a result of unanticipated failures, which may result in production bottlenecks and breakdowns. For example, a failure of key machinery or production systems – specifically our pressure hull production lines or the cyclization system in our battery production line – could cause a complete halt in production. Further, we face the potential unavailability of our production halls, cranes or docks due to, among others, license withdrawals or temporary shutdowns by authorities, which may be caused by outdated or poorly maintained equipment.

Additionally, our operations are exposed to risks from infrastructure failures—including utilities and IT systems—as well as the temporary unavailability of facilities, equipment, or production areas. While we rely on fallback and recovery plans as well as early warning systems to respond to such disruptions and are insured against business interruptions at levels considered economically reasonable by us, these measures may ultimately prove insufficient to prevent or mitigate losses stemming from an infrastructure failure. As such, our inability to predict or protect against property loss and unforeseen interruptions could have a material adverse effect on our business, financial condition, and results of operations.

1.2.18 Our R&D activities may not lead to the development of commercially successful products.

To maintain our market position and an attractive product offering for our customers we must continually invest in innovation and product improvements (see also “1.1.5 We are exposed to market trends and technological developments, and we may not be able to adapt sufficiently or in a timely manner.”). Developing new and improved products requires a substantial amount of capital funding and entails considerable uncertainty. Our R&D costs in the fiscal year ended September 30, 2024 amounted to €47.7 million and related to the development of new and existing

products and technology. In addition, we conduct similar R&D activities on an order-specific basis depending on our customers' demands and needs. Due to the complexities and uncertainties associated with research and development (“R&D”), there is a possibility that the products we are currently developing will not complete the development process or that the development or commercialization of these products will take longer than expected. If we expend resources on the development of new technologies and products that are not accepted in the marketplace or that do not prove to be profitable, we may lose some or all of these R&D costs. Furthermore, should we be unable to secure sufficient funding to finance our R&D activities, we could lose our competitive position.

We regularly enter into cooperation agreements with partners to conduct joint R&D activities. As we have no or limited control over our cooperation partners, we may not be able to realize the expected benefits of these arrangements (see also “1.2.10 We enter into partnerships, such as consortiums or joint ventures, in which we share control and risk with our partners.”). Hence, our ability to fully exploit the strategic potential of the products that we offer through these cooperations could be impaired if we cease to agree with our partners on strategy and implementation, if our strategic partners no longer provide their services at competitive prices or with the desired quality or if they have financial difficulty or violate contractual obligations.

Besides our self-funded or jointly-funded R&D programs, we also conduct fully or partly customer-commissioned R&D, which includes research programs or programs tailored towards agreed product or technology developments. In addition to the risks related to our self-funded or jointly-funded R&D described above, these customer-commissioned R&D programs carry further risks. Depending on the particular arrangements, upon successful development of the desired product or technology, our customers might own or possess certain rights with respect to the resulting IP, or a right to procure developed products at a discounted price from us. At the same time, there is typically no guarantee that these customers will procure any products at all, and the program, even though successfully completed, might not generate business as envisaged. If our R&D efforts do not yield results to our sponsoring customers' satisfaction, or if we do not use the funds we receive for the designated purposes, we might also become subject to refund or penalty obligations with respect to our customers' funding. In addition, customers might decide to discontinue customer-commissioned R&D programs or reduce the level of funding they make available for R&D, in which case the resources we allocated to such programs may prove to be futile or we may lack sufficient funding for our critical R&D efforts.

If we are unable to obtain sufficient funds for R&D activities, develop new products and offer newly developed products on commercially viable terms, this could have a material adverse effect on our business, financial condition and results of operations.

1.2.19 Any investment or acquisitions may disrupt and materially harm our business, and we may be unable to successfully integrate or realize expected benefits from such acquisitions or investments.

We sometimes make investments and acquisitions, such as the acquisition of the Wismar shipyard in 2022 and in the future may make further investments or acquisitions that we believe present opportunities for growth and to strengthen our business, including by adding production capacity, technological capabilities, or improving our operational efficiencies (such as through reorganization, entering into joint ventures or similar agreements, increasing the extent of our vertical integration, or enhancing our geographical presence or customer relationships). Such investments and acquisitions may be costly and time-consuming and could divert the attention of our management from other material business concerns. The acquisition process, in particular with regards to merger control filings (see “1.3.3 We may fail to comply with applicable laws and regulations, or changes in such laws and regulations.”), as well as the integration of an acquired business, involves a number of challenges and may result in unforeseen operating difficulties in assimilating or integrating the technologies, products, personnel or operations of the acquired business. Moreover, although we perform a due diligence review of an acquisition target, this review may fail to adequately uncover all contingent, undisclosed, or previously unknown risks or liabilities of the acquisition target. We cannot ensure that we will be able to successfully integrate acquisitions that we undertake or that such acquisitions will perform as planned or prove to be beneficial to our business. Certain acquisitions may take longer to deliver

results than expected. For example, the ramp-up of the operations at our shipyard in Wismar may not take place on schedule due to unanticipated delays or could result in cost overruns to achieve full functionality. This could cause us to not realize the benefits anticipated from an acquisition and could have a material adverse effect on our business, financial condition, and results of operations.

1.2.20 The assumptions made in preparing the profit estimate and business outlook included in this Prospectus may prove incomplete or inaccurate.

The profit estimate of Adjusted EBIT prepared by TKMS AG & Co. KGaA and TKMS GmbH for the period from October 1, 2024 to September 30, 2025 (the “**Profit Estimate 2024/2025**”), as well as the business outlook included in this Prospectus reflect numerous assumptions made by our management. These assumptions relate to commercial expectations and other external factors, including political, legal, fiscal, market and economic conditions and applicable legislation, regulations or standards, all of which are difficult to predict and are beyond our control. Accordingly, the assumptions made in preparing the Profit Estimate 2024/2025 and business outlook may be incomplete or inaccurate and there may be differences between our actual and projected results, some or all of which could be material. Should this occur, we may be required to publish such information by way of an ad-hoc notification, which could have an adverse impact on the price of the Shares and our reputation, and make it more difficult for us to access capital markets or other sources of liquidity in the future, any of which could have a material adverse effect on our business, results of operations and financial condition.

1.2.21 The German government has certain rights to protect its security interests in our business and we may be required to prioritize these interests over the interests of existing customers or when attracting new business.

Atlas Electronics is subject to a security agreement entered into in March 2017 between thyssenkrupp AG, thyssenkrupp Technologies Beteiligungen GmbH (“**tkTB**” or the “**Existing Shareholder**”) and the Federal Republic of Germany (the “**Atlas Security Agreement**”). In particular, the Atlas Security Agreement regulates certain information, consultation, and approval rights of the Federal Republic of Germany as well as further obligations of thyssenkrupp AG with regard to significant sensitive activities.

Based on a binding term sheet, concluded on July 7, 2025 between thyssenkrupp AG, TKMS GmbH and the Federal Republic of Germany, the Company’s subsidiary TKMS GmbH is further in the final stages of negotiating a security agreement, expected to be concluded in October 2025, between thyssenkrupp AG, TKMS GmbH and the Federal Republic of Germany regarding significant national security interests of the Federal Republic of Germany with regards to TKMS GmbH (the “**TKMS Security Agreement**” and together with the Atlas Security Agreement, the “**Security Agreements**”). In the TKMS Security Agreement thyssenkrupp AG and TKMS GmbH will be committed to maintaining essential research, development, and manufacturing capacities, and to keeping the headquarters of TKMS GmbH in Germany for at least ten years, with the possibility of extension based on sufficient government orders. The agreement will further provide the government with approval rights for the sale of 25% or more of sensitive Group companies, pre-emption rights for the sale of 5% or more of sensitive Group companies to third parties, and the right to nominate one of the ten supervisory board members of the Company. It is envisaged, that the Company will accede to the TKMS Security Agreement.

Due to the rights and restrictions imposed by the Security Agreements, the Company may in certain cases be required to prioritize the interests of the Federal Republic of Germany over the interests of existing customers or when attracting new business, and thus may not be able to take certain strategic and management decisions that we might otherwise consider beneficial to our business in a timely manner or at all.

1.2.22 The Group’s right to use certain trademarks is subject to the terms of a licensing agreement with thyssenkrupp AG.

Certain of the Group’s trademarks are legally owned by thyssenkrupp AG. On May 21, 2025, the Company entered into a licensing agreement effective June 4, 2025 with thyssenkrupp AG (the “**Licensing Agreement**”), allowing the

Group to use the trademark “TKMS” as part of their new brand and in carrying out the business of the Group in exchange for a one-time payment. The Licensing Agreement has an indefinite term, but in case of a change of control at the Company, thyssenkrupp AG has the right to terminate the Licensing Agreement within 30 days.

The loss of the right to use trademarks that are material to the Group’s business could have a material adverse effect on the Group’s reputation, business, results of operations, cash flow, financial condition or prospects.

1.2.23 Failure in project management could have a material adverse effect on the Group’s business, reputation and profitability.

The nature of our business means that we are engaged in multiple complex, demanding and lengthy construction projects at any given time. The construction of submarines, surface vessels and naval electronics involves technical, resource allocation and financial risks related to planning, resourcing and execution. Efficient and appropriate project management requires, among other things, active executive functions, management of equipment and resources and monitoring of schedules and costs. Cost-effective management of multiple large projects in multiple locations requires us to use efficient project management methods to enhance and deliver cost-effective execution of multiple technically demanding and large-scale projects at the same time. There can be no assurance, however, that our project resource efforts will always be successful, particularly as our business expands to meet growing demand for our products in response to growth in government defense budgets, resulting in additional projects and placing further pressure on our resource management controls. Our new shipyard facility in Wismar may exacerbate these risks, as we endeavor to integrate its additional production capacity into our manufacturing operations.

As our business grows, we may fail in project management when we participate in the execution of a larger number of increasingly complex projects simultaneously. For example, we may fail to allocate sufficient personnel or equipment to a particular project, or we may allocate excessive personnel or equipment to one project at the expense of another and fail to re-allocate in time to meet targeted delivery schedules. Such failures could result in contractual penalties or reputational damage or both.

As part of our project management approach, we frequently engage subcontractors and enter into partnerships or consortiums to meet the contractual obligations of our construction projects. If we do not properly manage these third parties, or if they fail to fulfil their assigned responsibilities, we may be exposed to joint and several liability under the terms of our contracts. This could result in us being liable for breaches caused by our subcontractors or partners, potentially leading to contractual penalties and reputational damage.

The occurrence of any of the above failures in project management may also have a material impact on the cost-effectiveness of the affected projects even if delivery deadlines are met, adversely impacting the Group’s profitability. As a result, failures in project management may have a material adverse effect on the Group’s business, financial position, results of operations and future prospects.

1.3 Risks Related to Laws, Regulation and Taxation

1.3.1 Our risk management and internal control systems and our material compliance management system may fail to prevent or detect corruption, fraud, other criminal or unauthorized behavior or violation of the law.

We have a risk management and internal control system that is aimed at, among other things, preventing corruption, fraud and other criminal or unauthorized behavior by our managers, employees, consultants, agents, and business partners. Although our risk management and internal control system organization continuously seeks to improve the effectiveness and efficiency of this system, the system may fail to prevent or detect willful or illegal, in particular collusive, behavior from circumventing existing safeguards and controls. Similarly, our risk management function may fail to identify, mitigate, or manage relevant risk exposures. Furthermore, it is possible that violations of existing laws occur or have occurred despite careful observance of such legal requirements. As we grow, we also see an increased need for qualified personnel in order to support our growth and related increased compliance requirements,

such as pre-employment screening and monitoring of compliance of our existing employees, and such qualified additional personnel may not be available in a timely manner.

If our managers, employees, consultants, agents, or business partners engage in corruption, fraud or other criminal or unauthorized behavior, we could be subject to administrative, civil, or criminal fines or other sanctions, such as the loss of business licenses or permits or other restrictions. Potential wrongdoing by our managers, employees, consultants, agents, or business partners could also damage our reputation and have an adverse impact on our ability to compete for business.

We also use a material compliance management system to help us use only components and raw materials that comply with the applicable laws and regulations and to provide products that meet all customer specifications. However, there is a risk that changes in requirements relating to materials are not identified in time, or at all, that products are distributed in the market in violation of the applicable laws or that products are delivered to customers that do not meet the customers' specifications. In the case of violations of laws and regulations, we could be subject to administrative or criminal fines or other sanctions. We could also be exposed to civil claims for damages from direct or indirect purchasers of the products affected. Finally, potential violations could also damage our reputation or negatively impact the perception of our products.

Any such failure of our management and internal control systems could have a material adverse effect on our business, financial condition, and results of operations.

1.3.2 We are exposed to risks in relation to compliance with anti-bribery, anti-corruption and anti-money laundering laws and regulations and economic and trade sanction programs.

Doing business globally requires us to comply with the laws and regulations of various jurisdictions. Our operations are subject to applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations, such as the German Money Laundering Act (*Geldwäschegesetz*), the United Kingdom Bribery Act 2010, and economic and trade sanction programs, including, without limitation, those administered by the United Nations (the "UN"), the EU and its member states, and the US (including, without limitation, by the Office of Foreign Asset Control) (collectively, "**Sanctions Laws**"). Sanctions Laws may restrict our business dealings with certain countries, territories, governments, and persons. As a result of doing business in a variety of jurisdictions, we are exposed to the risk of violating anti-corruption laws and Sanctions Laws applicable in those countries where we, our partners or agents operate. Our worldwide operations as well as our business with governments increase the risk of violations of anti-corruption laws, Sanctions Laws, or similar laws. Some of the countries in which we operate do not have as developed a legal system as other locations and are perceived as having high levels of corruption.

Furthermore, if a public sector entity were to violate applicable procurement laws or regulations in connection with contracts entered into with us or our marketing activities, the relevant authorities or a competitor could seek enforcement action against us. Violations of anti-corruption laws and Sanctions Laws are punishable by civil penalties, including fines, disgorgement of profits or gains, denial of export privileges, injunctions, asset seizures, suspension, or debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant material adverse impact on our reputation and consequently on our ability to win future business and on our business, financial condition, or results of operations.

While we have policies and procedures in place that are designed to promote compliance with applicable anti-corruption laws and Sanctions Laws, there can be no assurance that our policies and procedures have been followed, are being followed or will be followed at all times in the future, or that our policies will effectively detect and prevent violations of applicable laws by one or more of our employees, consultants, agents or partners. Certain employees or intermediaries (such as consultants or sales agents) as well as suppliers and other third parties may still engage in illegal practices or corruption to win business or conspire in order to circumvent our compliance controls. In particular, a key anti-corruption risk in our industry results from dealings with sales agents and other third parties

providing sales and marketing support services to us or on our behalf. In addition, our exposure to any of the foregoing risks may be elevated in certain emerging markets in which we operate, as the legal and regulatory frameworks governing compliance with applicable anti-bribery, anti-corruption and Sanctions Laws may be less developed than in our core markets, such as Germany. Moreover, in some emerging markets, local business practices or cultural expectations may differ significantly from those in our core markets, including a potentially higher tolerance for informal or non-compliant conduct such as bribery or facilitation payments, which may increase the risk of inadvertent or intentional violations. Such violations of ethical business practices or laws could attract negative publicity, diminish our brand image and reduce demand for our products.

If we fail to manage the above risks, we could become subject to penalties including civil and criminal fines, injunctions, asset seizures as well as suspension or debarment from government contracts and face material adverse consequences to our business, financial condition or results of operations.

1.3.3 We may fail to comply with applicable laws and regulations, or changes in such laws and regulations.

We distribute our products across various countries, serving our customers from 27 operating sites worldwide, with more than 50 navies worldwide relying on our products. As a result, we are subject to a wide variety of laws and regulations, including regulations on export controls, security clearances, compliance, environmental protection, competition, tax, and employment matters in the different jurisdictions in which we are active. Due to the market in which we operate, these laws and regulations impose comprehensive compliance obligations on us and restrict our offering and operating activities. These obligations and restrictions can be difficult to adhere to due to their scope, dynamics and varying requirements, and therefore our global operations expose us to the risk of violating or being accused of violating such laws and regulations. For example, rapidly changing export control rules and regulations may lead to a risk of inadvertently violating specific countries' export control regulations and laws. Our failure or alleged failure to comply with these laws and regulations may expose us to reputational harm as well as significant penalties (see also "1.1.2 Our international business is subject to export control regulations and import restrictions applicable to our products and supply chains, including government approval requirements, as well as government or industrial preferences or policies that favor domestic suppliers in markets where we might otherwise sell our products.").

Under the German Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichtengesetz*, "LkSG") we are required to, among others, conduct an appropriate risk analysis to identify human rights and environment-related risks in our supply chains and take respective preventive measures and remedial action. Failure to comply with the requirements of the LkSG may result in fines of up to 2% of the Group's annual revenue.

We handle sensitive customer and employee data and are subject to increasingly stringent data protection and privacy requirements, such as Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR"). The GDPR imposed strict conditions and limitations in relation to the processing, use and transmission of personal data. Any non-compliance by us with the applicable regulations could lead to fines and other sanctions. For example, the GDPR provides that violations can be fined, depending on the circumstances, by up to the higher of €20 million and 4% of the annual global turnover of the non-compliant company.

Should we be in violation of existing laws and regulations or fail to comply with changing laws and regulations, this could have a material adverse effect on our business, financial condition, or operations.

1.3.4 We may not be able to successfully protect our intellectual property and technical expertise.

Our products and services are highly dependent upon our technological know-how and the scope and limitations of our proprietary rights therein. We regularly apply for and have been granted intellectual property rights with respect to our innovations. The process of seeking patent protection can be lengthy and expensive. Furthermore, patents may not be granted on currently pending or future applications or may not be of sufficient scope or strength to provide us

with meaningful protection or a commercial advantage. In addition, while there is a presumption that patents are valid, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. Certain of our existing patents convey a narrow scope of protection, including in terms of geographic reach and goods and services covered. Additionally, our patents might have lapsed or expired. Further, our competitors, suppliers, customers and other third parties also submit a large number of intellectual property protection applications. Such other parties could hold effective and enforceable intellectual property rights to certain processes, methods or applications and consequently could assert infringement claims (including illegitimate ones) against us.

A part of our know-how and industrial secrets, including material know-how and industrial secrets is not patented and cannot be protected through intellectual property rights. Consequently, there is a risk that third parties, including competitors, will copy our know-how without incurring any expenses of their own.

Should we be unable to protect our intellectual property and technical expertise, this could have a material and adverse effect on our business, financial condition, and results of operations.

1.3.5 We are exposed to risks from defective products including warranty and product liability claims as well as damage to our reputation.

As a manufacturer, we have been in the past and, in the future, may be subject to product liability lawsuits and other proceedings alleging violations of due care, violation of warranty obligations (implied or expressed), treatment errors, violations of safety provisions and claims arising from breaches of contract. Any such lawsuits, proceedings and other claims could result in increased costs for us. While we maintain insurance covering the risks arising from such product liability lawsuits, proceedings and other claims, the insurance coverage obtained by us could prove insufficient. In addition, defective products could result in loss of revenue, loss of customers, and could lead to costs for repair and replacement. Defective products or a failure to perform with respect to quality requirements could also result in loss of market acceptance and cause damage to our reputation or that of our products (see also “1.2.3 *Our future business success depends on our ability to maintain the high quality of our products, processes and delivery performance.*”).

Furthermore, our customers could potentially bring claims for damages on the basis of breach of contract, even if the cause of the defect is subsequently remedied.

1.3.6 We are subject to risks from legal, administrative and arbitration proceedings.

Our companies are involved in legal, administrative and arbitration proceedings from time to time, and may become involved in such proceedings in the future. These proceedings or potential proceedings could involve substantial claims for damages or other payments. The materiality of any future proceedings as well as the outcome of individual proceedings cannot be predicted due to the uncertainties that are always associated with legal disputes. Current material legal proceedings involve the following:

The Republic of Korea is claiming damages in the amount of €201 million from the Group in arbitration proceedings before the ICC for delayed delivery of submarines built by Korean shipyards using material packages from the Group and supplied to the Republic of Korea. As the material packages were delivered to the shipyards on time, the Group believes that responsibility lies with the Korean shipyards, which were under a construction and delivery obligation to the Republic of Korea under their own bilateral contracts. We received a partial award for one of the five ships in question. All claims against us were denied, however, this partial award is currently being challenged through set-aside proceedings. Proceedings regarding the other four ships are ongoing. The Republic of Korea is also asserting claims against the shipyards in separate proceedings.

In connection with the majority interest previously held by thyssenkrupp Industrial Solutions AG in the Greek shipyard Hellenic Shipyards and the construction of submarines for the Greek Navy, the Greek government has filed legal and arbitration actions to claim compensation of €2.2 billion from thyssenkrupp Industrial Solutions AG and

TKMS GmbH as well as from Hellenic Shipyards and the current majority shareholder of Hellenic Shipyards. The ICC Arbitration Court assigned to the case rejected all claims against the above companies, which together with thyssenkrupp AG and its consolidated subsidiaries constitute the thyssenkrupp group (the “**thyssenkrupp Group**”) by partial award in September 2023 and the final award has been received in August 2025.

In the event of adverse judgments or settlement agreements, we could be subject to injunctive relief and removal and be obliged to make substantial payments and damages, including payment of the opponent’s litigation costs, which could be significant. Our litigation costs and those of third parties could also be significant. Significant claims or a substantial number of small claims may be expensive to defend, may divert the time and focus of management and may require us to pay significant monetary damages or other penalties. Any adverse legal, administrative or arbitration proceedings could therefore have a material adverse effect on our reputation, business, financial condition, and results of operations.

From time to time, we form joint ventures, enter into R&D or licensing agreements or form other cooperations with partners as well as undertake acquisitions. In some of the markets in which we operate, we only compete with a few other manufacturers. Acquisitions we undertake or joint ventures or other cooperations we enter into in these markets may be subject to requirements under antitrust and competition laws (at both national and European levels). Merger control filings or required governmental approvals could block, impose conditions on, or delay our projects, which could result in failure on our part to proceed with such projects in a timely manner or at all. Past acquisitions or cooperation may become subject to investigations by competition authorities within the relevant jurisdictions. Such competition authorities may take the position that merger control filings would have been required in the past. If we did not meet such requests or requirements at the time of the acquisition or cooperation, the relevant governmental authority may impose fines and, if in connection with a merger transaction, may require corrective measures, such as mandatory disposition of assets or divestiture of operations.

Any requirements under antitrust and competition laws with regard to past or future acquisitions or cooperations or arising from adverse judgments or settlement agreements from legal proceedings could have a significant negative impact on our business, financial condition and results of operations.

1.3.7 Our operations are subject to stringent environmental laws and regulations, which are subject to change.

The nature of our business subjects us to increasingly stringent environmental laws and regulations, in particular those regulating the use and disposal of toxic chemicals and other hazardous materials, as well as health and safety regulations in most jurisdictions where we operate. This applies also to air, water, and soil pollution regulations and to waste legislation and regulation, all of which have recently become more stringent through new laws, in particular, but not limited to, in the EU. Such laws and regulations also require permits, licenses and/or authorizations to be obtained and reports and forms to be completed and delivered, among others, to the competent authorities in connection with the operations of our business. For example, for our manufacturing facilities and operations, we require various permits and must comply with the requirements specified therein. This regulatory framework imposes on us significant day-to-day compliance burdens, costs, and risks. In the past, adjusting to new requirements has required significant investments and we assume that further significant investments in this regard will be required in the future.

For instance, we are subject to Regulation (EC) No. 1907/2006 (Registration, Evaluation, Authorization and Restriction of Chemicals) and similar regulations under other applicable laws which govern the production and use of chemicals. Several of the chemicals we use are or may be classified as substances of very high concern and are or could become subject to restrictions on use or become prohibited. If chemicals we use become subject to further restrictions on use or are prohibited, we will need to find replacements for these substances, which may have a financial impact on our business operations.

Furthermore, our operations are subject to laws and regulations designed to limit emissions. This is particularly relevant for our shipyards. In Germany, the construction and operation of shipbuilding facilities may, depending on the production capacities, require a permit under the Federal Emission Control Act (*Bundes-Immissionsschutzgesetz*, “**BImSchG**”). The Company is likewise subject to comparable regulations in Brazil. Such permits encompass various approvals necessary for the construction and operation of facilities pursuant to other laws, including public-law approvals, registrations, and consents and may therefore require a complex approval process. The operation of the relevant facility cannot generally be challenged or contested by third parties as long as the respective facility operates in compliance with our permit. However, third parties can require certain measures to mitigate any negative impact of a facility on the environment. To the extent such measures are impossible or uneconomical to implement based on state-of-the-art technology, the relevant third parties may claim damages.

Permits and additional administrative orders under the BImSchG may impose certain limitations (*e.g.*, stricter requirements with regard to permissible emissions or the use of the relevant facilities), as well as monitoring and reporting duties, with which we have to comply. Our German sites are subject to inspection requirements and require certain permits under the BImSchG.

Many of our products are subject to extensive and continually evolving regulatory requirements, many of which differ between the various jurisdictions where we operate. These national and international regulations can have an impact on the design, manufacture, marketing and sale of our products and services and are subject to increasing governmental scrutiny and enforcement. In particular, violation of such laws and regulations (including, but not limited to, failure to timely renew our licenses or comply with the conditions imposed by environmental authorities for the licenses to be valid and effective) may give rise to significant liability, including, but not limited to, fines and penalties, monetary and reputational damages, third party liabilities and limitations on our business operations and site closures. There can be no assurance that we have previously been and will continue to be in material compliance with all applicable laws and regulations governing the protection of the environment and human health, including but not limited to laws and regulations concerning occupational and employee health and safety.

Should we be in violation of environmental laws and regulations or fail to comply with changing laws and regulations, this could have a material adverse effect on our business, financial condition, and results of operations.

1.3.8 We may incur additional costs as a result of industry-wide collective bargaining agreements applicable to our employees.

Many of our employees in Germany are subject to a collective bargaining agreement (*Tarifvertrag*) and in Brazil we concluded negotiations with the trade union in May 2025. If collective bargaining agreements which we have entered into are amended to provide greater benefits for employees in the future, this may lead to higher employment costs and higher social security contributions.

With more than 9,100 employees (including temporary agency workers) around the world and ambitious plans to continue to grow our workforce, our relationships with employees, local workers councils, trade unions and other employee representatives are important to our business. There is no guarantee that the relationships with our employees and their trade unions and representatives will continue to be amicable or that we will not be affected by strikes, work stoppages, further unionization efforts, or other types of conflict with labor representatives, trade unions or employees.

Increased costs due to amendments to collective bargaining agreements or a deterioration of the relationship with our employees or their representatives or trade unions could have a material adverse effect on our business, financial condition, and results of operation.

1.3.9 We have assumed pension liabilities and face the risk that the actual costs incurred in connection with the resulting liabilities may substantially exceed our current estimates.

The Group maintains company pension plans in the form of defined benefit plans and defined contribution plans in Germany, the UK and Brazil.

The obligations of the Group under these plans vary in the different countries in which the Group operates but are typically dependent on the length of service and remuneration of the employee concerned.

In Germany, active and former employees and their dependents participate in different group-wide pension plans, which are mostly unfunded. Some of the underlying company pension schemes have been closed for new entrants and/or have been replaced by new plans. The most relevant pension plans are so-called direct pension commitments (*Direktzusagen*) managed directly by the respective employing entity without any external pension vehicle involved. These plans count as defined benefit plans for accounting purposes and liabilities under such plans are without external funding. Instead, respective provisions are formed in the employing entity's balance sheets. Since 2017 the Group offers a different type of pension plan (*flexplan*) to new managers and executives of the employing entities. The plan benefits are fully funded via segregated assets following a capital-markets approach based on a life-cycle concept with no provisions in the balance sheet.

A smaller portion of the Group's employees participate in plans funded through external pension vehicles, such as direct insurances and pension insurance funds, including the Babcock pension fund, which has faced financial difficulties for years; the Group has recognized a €5 million risk provision as of March 31, 2025 for possible subsidiary liability. In Germany, direct pension commitments generally have insolvency protection through the statutory pension protection fund (*Pensionsversicherungsverein aG*), with some liabilities further protected by a Group Contractual Trust Arrangement with thyssenkrupp Trust e.V. In the United Kingdom, the Group provides access to a legally compliant defined contribution plan (Master Trust) administered by Aviva, while in Brazil it offers a similar co-financed defined contribution pension plan. For all defined contribution plans, the Group's obligations are limited to paying contributions to third-party providers. Provisions for defined benefit pensions and similar obligations may fluctuate due to changes in actuarial assumptions, including discount rates, inflation, and biometric factor.

Inflation risks that could lead to an increase in benefit obligations of the Group's defined benefits plans exist, because some of its plans are based on final salaries and, in some cases, annual pension models are directly linked to current salaries. To the extent a rise in salaries above the salary and/or career trends assumed in the valuation of the obligation occurs, this would also require a direct increase in the provisions of such defined benefits plans based on final salaries or the future service costs of defined contribution plans.

In addition, a significant number of the Group's pension plans in Germany are required to provide a cost-of-living adjustment. Further charges to the Group may result from the need for a cost-of-living adjustment in excess of the assumed pension trend during the pension payment phase, which may lead to an immediate increase in the provisions of the Group's pension plans.

Biometric risks can result either from early benefit claims as a result of death or invalidity of an employee or from underestimated life expectancies and may result in costs to the Group due to unexpected increases in provisions and early cash outflows from its pension plans.

As of September 30, 2024, the Group's defined benefit obligations were €364.7 million as compared to €336.1 million for September 30, 2023, and €349.3 million for September 30, 2022.

Any of the foregoing could have a material adverse effect on the Group's reputation, business, results of operations, cash flow, financial condition or prospects.

1.3.10 The international scope of our operations and our corporate and financing structure may expose us to adverse tax consequences.

We are subject to taxation in, and to the tax laws and regulations of, multiple jurisdictions as a result of the international scope of our operations and our corporate and financing structure. We are also subject to intercompany pricing laws, including those relating to the flow of funds among our companies pursuant to, for example, purchase agreements, licensing agreements or other arrangements. Adverse developments in these laws or regulations, or any change in position by the relevant authority regarding the application, administration or interpretation of these laws or regulations in any applicable jurisdiction, could adversely affect our business, results of operations and financial condition.

In addition, the tax authorities in any applicable jurisdiction may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions, including, *e.g.*, the application of various value-added tax exemptions or characterization of our existing and future intercompany loans and guarantees or the existence of foreign permanent establishments. If any applicable tax authorities were to successfully challenge the tax treatment or characterization of any of our intercompany loans or transactions, it could result in the disallowance of deductions, a limitation on our ability to deduct interest expenses, the imposition of withholding taxes, the application of significant penalties and accrued interest on intercompany loans or internal deemed transfers, or other consequences that could have a material adverse effect on our business, financial condition and results of operations.

1.3.11 Our operations are subject to the risk of health and safety liabilities.

The nature of our operations, in particular on our production sites, subjects us to various statutory and regulatory compliance and litigation risks under health, safety, and employment laws. There can be no assurance that accidents or incidents suffered by our employees, contractors or other third parties on our sites will not occur. If any accidents or incidents do occur, we could be subject to prosecution and litigation, which could result in fines, penalties and other sanctions imposed on us and could cause damage to our reputation, which could in turn have a material adverse effect on our business, financial condition, and results of operations.

1.3.12 Pending and future tax audits and changes in fiscal regulations could lead to additional tax liabilities.

We are subject to routine tax audits by local tax authorities in the countries in which we operate. While we believe that we have paid all material tax liabilities and filed all material tax returns as of the date of this Prospectus, and have made provisions that we believe to be adequate with respect to material tax risks resulting from current or past tax audits, there can be no assurance that tax deficiencies will not be asserted against us or that the taxes assessed by the competent authorities pursuant to such tax audits will not exceed such provisions. In particular, future tax audits, such as for the fiscal years from 2021 onwards, which have not yet been subject to a tax audit, could result in an interpretation of the tax laws or relevant facts in a manner that deviates from our interpretation. In addition, certain entities of the Group were in the past or are currently part of fiscal unities, tax groups and other tax consolidation schemes; in some cases, the fiscal unities, tax groups and other tax consolidation schemes consisted of both entities of the Group and entities of the thyssenkrupp Group. It cannot be ruled out that entities of the Group will be held liable for unpaid taxes of the members of such tax consolidation schemes (including members outside of the Group) under statutory law or contract. Furthermore, should such fiscal unities, tax groups or tax consolidation schemes not be accepted by the tax authorities and/or a tax court, taxes, interest and penalties may be imposed against entities of the Group, and such liabilities may be substantial. While we attempt to assess in advance the likelihood of any adverse judgments or outcomes to tax proceedings or claims, it is difficult to predict final outcomes with any degree of certainty. All of the tax assessments issued for periods which were not yet finally audited may be subject to review and future tax audits may result in additional tax and interest payments, which would negatively affect our financial condition and results of operation.

1.3.13 We may inadvertently infringe the intellectual property rights of third parties.

Our competitors and suppliers submit a large number of inventions for intellectual property protection. It is not always possible to determine with certainty whether there are effective and enforceable third-party intellectual property rights applicable to certain processes, methods, or applications. The risk of potential infringements of third-party intellectual property rights may be higher with respect to projects which we are co-developing with other entities or where we have agreed to certain offset commitments involving technology transfers or similar arrangements.

If third parties assert infringement claims (including illegitimate ones) against us, we could be required to cease manufacturing, using, or marketing relevant technologies or products in certain countries or be forced to make changes to our manufacturing processes or products. In addition, we could be liable to pay compensation for infringements or could be forced to purchase licenses to make use of technology from third parties. The materialization of such risks could have a material adverse effect on our business, financial condition, and results of operations.

1.3.14 We could be held liable for soil, surface water or groundwater contamination or for risks related to hazardous waste, substances and/or materials, including clean-up obligations and third-party claims (e.g., for bodily injury or property damage).

Many of the sites at which we operate, including our newly acquired shipyard in Wismar, Germany, have been used for industrial purposes for many years, leading to risks of contamination and potentially resulting in site restoration obligations. In addition, under federal and state environmental laws and regulations (including state property transfer laws), we could be held responsible for the remediation of offsite areas impacted by our sites and operations, natural resource damage, and/or third-party claims (*e.g.*, for bodily injury or property damage). Regulatory authorities could assert claims against us, as the current or former owner or tenant (operator) of the affected sites or as the party that caused or contributed to the contamination. Such claims may require the investigation, remediation or containment of any soil or groundwater contamination or other environmental media (*e.g.*, surface waters), including related to our use of non-owned treatment, storage and disposal sites or order us to dispose of or treat excavated contaminated soil or water encountered in the course of construction. We could also be liable to the owners or occupants of sites leased by us, sites we sell, or other impacted properties. Costs typically incurred in connection with such claims are generally difficult to predict. Also, if any contamination were to become a subject of public discussion, there is a risk that our reputation or relations with our customers could be harmed.

For example, we have had to rehabilitate groundwater contaminations at our facilities in Bremen in the past and our site in Kiel is classified as a suspected contaminated site by the local authorities due to ammunition from the Second World War.

Several of the chemicals we use are or may be classified as substances of very high concern and are or could become subject to restrictions on use or become prohibited. If chemicals we use become subject to further restrictions on use or prohibited, we must replace these substances, which may have a financial impact on our business operations.

Should we be held liable for soil, surface water or groundwater contaminations this could have a material adverse effect on our business, financial condition, and results of operations.

1.4 Risks Related to Our Financial Profile

1.4.1 The availability and conditions of bank guarantee credit facilities may limit the Group's growth and ultimately lead to negative growth.

Operating as a newly independent listed group following the spin-off (the “**Spin-off**”) from thyssenkrupp Group, our ability to secure performance guarantees on attractive terms is critical to both project delivery and working capital management. Historically, thyssenkrupp Group has provided broad parent company guarantees (“**PCG**”) backing our major customer contracts, charging the Group fixed annual fees regardless of the guaranteed amount.

We do not anticipate using new PCGs from thyssenkrupp Group for future contracts. Instead, for new projects entered into after the Spin-off, we will be required to obtain performance bank guarantees directly from commercial market providers to secure fulfillment and advance payment obligations.

Besides existing PCGs issued by the thyssenkrupp Group as well as guarantees by banks and financial institutions to the Group's customers for its projects, the Group has entered into certain bilateral guarantee facility agreements (the "**Bilateral Guarantee Facilities Agreements**") in the ordinary course of business with several financial institutions which include some of the banks involved in the Spin-off as listing agents or financial advisors or affiliates of such banks as well as additional banks and other financial institutions. The Group depends on the availability of suretyships, bank guarantees, bonds, or letters of credit (the "**Bank Guarantees**") for the purpose of its projects with the Group's customers as beneficiaries. As of the date of this Prospectus, the aggregate volume of the Bilateral Guarantee Facilities Agreements exceeds €2.5 billion.

If some or all of these Bank Guarantees are not available to the Group, are terminated or if they are only made available on conditions which are not commercially acceptable to the Group, the Group may not be able to acquire the necessary volume of projects in order to sustain its growth. Further, additional costs associated with such Bank Guarantees could reduce the Group's margin if these additional costs cannot be fully passed on to customers. If a significant banking crisis were to occur, accompanied by a credit crunch, the inability to access bank guarantees may lead to negative growth. The inability to obtain guarantees at commercially viable terms or at all could therefore have a materially adverse effect on our margins, results of operations and financial condition.

1.4.2 The historical combined financial information included in this Prospectus may not be indicative of the performance of our Group.

The Group has not previously operated as a stand-alone company. Accordingly, the combined financial statements of the Group's business in accordance with IFRS as adopted by the European Union as of and for the fiscal years ended September 30, 2024, 2023 and 2022 (the "**Audited Combined Financial Statements**") and the condensed combined interim financial statements of the Group's business as of and for the nine months ended June 30, 2025 (the "**Unaudited Condensed Combined Interim Financial Statements**", and, together with the Audited Combined Financial Statements, the "**Combined Financial Statements**") have been prepared on a carve-out basis from the IFRS consolidated financial statements of thyssenkrupp AG using historical results of operations, assets and liabilities attributable to the Group's business based on the legal reorganization up until the Spin-off, include allocations of income and expenses from the thyssenkrupp Group for the periods presented, and exclude activities that will transfer to the Group after the Spin-off. The Combined Financial Statements therefore may not be indicative of the future performance of the Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the Group's business operated as an independent stand-alone group during the periods presented.

In addition, in preparing the Combined Financial Statements, additional assumptions and estimates were made. These assumptions and related estimates affect the amounts and the reporting of recognized assets and liabilities, income and expenses and contingent liabilities. The actual amounts may vary from these estimates.

1.4.3 We may need to recognize impairment charges related to our goodwill and intangible assets.

The Group recorded goodwill of €1,043.7 million, representing 17.7% of its total assets, as of June 30, 2025. Intangible assets that have an indefinite useful life are not amortized but rather are subject to impairment tests on at least an annual basis. Impairment tests on intangible assets that have an indefinite life carried out in the future may result in recognizable losses.

The Group has historically performed goodwill impairment testing at least annually and whenever any impairment indicators are present. If there is an indication, the recoverable amount of the cash-generating unit has to be estimated as the greater of the fair value less costs to sell and the value in use. The determination of the value in use involves making adjustments and estimates related to the projection and discounting of future cash flows. Following the Spin-

off, goodwill will be allocated to the Group's operating segments: Submarines, Surface Vessels and Atlas Electronics, which are considered the Group's cash generating units, using the relative fair value approach. These segments represent the lowest level within the Group at which goodwill is monitored for internal management purposes. Consequently, goodwill impairment testing will be performed at the segment level for future reporting periods, which could result in increased volatility or our segments incurring impairment charges that may be greater than or different from those incurred based on our historical goodwill impairment testing. Further, although the Group believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill.

If the Group shows a decreasing ability to generate cash flows and its operating results substantially differ from, and are worse than, the forecasts and estimates on which its impairment testing is based, the Group may be required to recognize impairment losses and make adjustments to the values registered in the financial statements, which could have a material adverse effect on the Group's reputation, business, results of operations, cash flow, financial condition or prospects.

1.5 Risks Related to the Group's Separation from the thyssenkrupp Group

1.5.1 The Group has not previously operated as a stand-alone publicly listed company and may face difficulties operating effectively and fully implementing its business strategy.

The Group has previously not operated as a stand-alone publicly listed entity and it is uncertain how it will perform as such. Following the Spin-off, the Group will be responsible for managing, among other things, all of its administrative and finance arrangements, its legal affairs and its capital markets and financial reporting requirements which may result in significant additional expenditures and/or expose the Group to an increased risk of legal, regulatory or civil costs or penalties. Significant changes may occur in the Group's cost structure, management, financing and business operations as a result of operating as a stand-alone publicly listed entity separate from the thyssenkrupp Group. In addition, the Group's funding costs could increase as a stand-alone entity.

Furthermore, the Group's management has limited experience in operating its business as a stand-alone publicly listed entity. The Group anticipates that its success in managing the aforesaid changes and, as a result, a successful implementation of its business strategy, will depend substantially upon the ability of the management board (*Vorstand*) of the General Partner (the "**Management Board**"), senior management and other key employees to implement or adapt the necessary structures, to supervise their functionality and to work in a cohesive manner.

The factors described above could have a material adverse effect on the Group's business, assets, results of operations, financial condition and prospects.

1.5.2 The separation from the thyssenkrupp Group may lead to the loss of business opportunities and decreased purchasing power and result in a loss of synergies.

As part of the thyssenkrupp Group, the Group was able to take advantage of the thyssenkrupp Group's long-standing reputation, size and purchasing power in procuring goods, services and technology, such as access to certain financial services, procurement networks, treasury and financing services, information technology, intellectual property (including TKMS and other trademarks) and other services. As a separate, stand-alone entity following the Spin-off, the Group may find it difficult or more costly to access certain goods, services and technologies, for instance with regards to previous governance services provided by thyssenkrupp AG which will be invoiced going forward. The Group may incur higher costs due to a decline in purchasing scale if the Group is unable to continue to take advantage of the thyssenkrupp Group's goods, services and technology on the same or similar terms as prior to the Spin-off, or to obtain other similar goods, services and technologies at prices or on terms as favorable as those obtained prior to the Spin-off. Moreover, the Group has historically shared many common parts and other goods with other members of the thyssenkrupp Group, which for some parts and other goods, this may no longer be possible following the Spin-off.

The operation as a separate Group could therefore have a material adverse effect on the Group's business, assets, results of operations, financial condition and prospects.

1.5.3 The Group may not realize potential benefits from the separation of its business from the thyssenkrupp Group's other businesses.

The Group may be unable to realize the potential benefits that it expects by separating from the thyssenkrupp Group. These benefits include the Group's ability to focus on its own strategic and operational plans, a more efficient allocation of capital for the Group, a distinct investment identity allowing investors to evaluate the merits, performance and prospects of the Group separately from those of the thyssenkrupp Group, and a better tailoring of internal procedures to the nature of the Group's business.

The Group may not achieve these and other anticipated benefits for a variety of reasons. Following the Spin-off, the Group will not have access to the same scale of financial, managerial and professional resources from which the Group has benefited in the past and will incur significant costs, which may be greater than those for which the Group has planned, to replace these resources. In addition, the Group may fail to recruit and hire new employees with the necessary skills. Either of these scenarios could leave the Group without the expected managerial, professional and other skilled personnel, e.g., in the areas of controlling and accounting, finance or legal and other critical functions that it needs to successfully operate as an independent Group upon completion of the Spin-off.

In addition, the separation and Spin-off will require significant amounts of management's time and effort, which may divert management's attention away from the Group's business. Furthermore, certain costs and liabilities that were previously less significant to the thyssenkrupp Group as a whole will be more significant to the Group as a stand-alone publicly listed entity. The Group may also be more susceptible to market fluctuations and other adverse events than if it were still a part of the thyssenkrupp Group, and the Group's business will be significantly less diversified than the thyssenkrupp Group's business prior to the separation. If the Group is unable to achieve some or all of the benefits expected to result from the separation and the Spin-off, or if such benefits are delayed, this could have a material adverse effect on the Group's business, assets, results of operations, financial condition and prospects.

1.5.4 Services to be provided by the thyssenkrupp Group to the Group based on the existing service relationships may be insufficient to cover the Group's needs as a stand-alone company and the Group may be unable to subsequently replace the services provided by the thyssenkrupp Group after the Spin-off without operational problems or additional cost.

The Group has ongoing service relationships and agreements with the thyssenkrupp Group pursuant to which thyssenkrupp Group has provided certain services to the Group in the past and will continue to provide such services after the Spin-off. These services include, among others, financial services, IT, licenses, tax, internal audit, human resources and accounting. The Group expects that it will be dependent on these services, in particular the IT services provided by the thyssenkrupp Group, for the duration of the agreements pursuant to which they will be provided.

It is possible that such ongoing service relationships and agreements will be insufficient to cover the Group's needs as a stand-alone company or that the agreements pursuant to which they are provided may contain terms and conditions that are not favorable to the Group or not competitive with alternatives in the market. In addition, failure by the thyssenkrupp Group to perform the services provided for under the service arrangements and agreements may result in operational problems and increased costs to the Group. The services to be provided by the thyssenkrupp Group after the Spin-off may not function as efficiently as they did prior to the Spin-off and the Group may find it difficult to find a suitable alternative supplier of such services in a timely fashion or at all. Moreover, upon the expiration of these service agreements, the Group will need to ensure the continuation of the relevant services either by providing them itself or by finding alternative service providers. Any failure to achieve this could result in higher costs than under the service agreements with the thyssenkrupp Group. Any of the foregoing could have a material adverse effect on the Group's business, assets, results of operations, financial condition and prospects.

1.5.5 The Group's market image is influenced by thyssenkrupp Group's image.

The Group uses "TKMS" as part of its corporate marks and as part of the company names, business designations and domains to operate its business (see "1.2.22 The Group's right to use certain trademarks is subject to the terms of a licensing agreement with thyssenkrupp AG."). Such usage and its historical name "thyssenkrupp Marine Systems" clearly identifies the Group as being connected to the thyssenkrupp Group. While the Group may benefit from the established credibility of the thyssenkrupp brand, negative publicity or problems associated with companies of the thyssenkrupp Group, even if unrelated to the Group and its business, could have a material adverse effect on the Group's reputation, business, results of operations, cash flow, financial condition or prospects.

1.6 Risks Related to the Shareholder Structure

1.6.1 Our largest shareholder thyssenkrupp AG could exert substantial influence on decisions reached by the general meeting or through the General Partner and could have diverging interests from those of the Group's other shareholders.

Upon the completion of the Spin-off, our largest shareholder, thyssenkrupp AG will indirectly hold, through the Existing Shareholder, 51.0% of our Shares.

Due to its majority shareholding, thyssenkrupp AG will be able to exert substantial influence on the general shareholders' meeting and, consequently, on matters decided by the general shareholders' meeting, such as the distribution of dividends or any proposed capital increase.

In addition, thyssenkrupp AG, through tkTB, indirectly owns all shares in TKMS Management AG as the general partner of the Company (the "**General Partner**"). The position of the general partner in a partnership limited by shares (*Kommanditgesellschaft auf Aktien*, "**KGaA**") is different and in part stronger than that of the shareholders of the KGaA based on: (i) the management powers of the general partner; (ii) the existing de facto veto rights regarding material resolutions adopted by the KGaA's general meeting of shareholders; and (iii) the independence of the general partner from the influence of the KGaA's general meeting as a collective body. thyssenkrupp AG as the sole shareholder through tkTB of the General Partner, via the General Partner's shareholders' meeting, has the exclusive power to appoint the members of the supervisory board of the General Partner and thus indirectly also the members of the Management Board, who act on behalf of the General Partner in the conduct of the Company's business and relations with third parties.

Such exertion of influence may have a significant adverse effect on the price of the Shares and thus adversely affect our ability to raise further capital, irrespective of whether thyssenkrupp AG participates in any future capital increase of the Company. The concentration of share ownership could also delay or prevent certain major corporate actions, or constrain minority shareholders' influence over key strategic or financial decisions, including a change of control in the Company, and could thus deter mergers, consolidations, acquisitions or other forms of combination that might be advantageous for investors.

Furthermore, the interests of thyssenkrupp AG and other shareholders of the Company may not be aligned. thyssenkrupp AG may have economic or business interests or goals inconsistent with the Group's interests or goals or with those of other shareholders which in turn could have a material adverse effect on our reputation, business, results of operations, cash flow, financial condition or prospects.

1.6.2 Membership of the same individuals on boards of the Company and of thyssenkrupp AG as well as other relationships with thyssenkrupp AG or companies of thyssenkrupp Group may result in conflicts of interest.

As of the date of this Prospectus, several members of the Company's supervisory board (the "**Supervisory Board**"), who also serve on the management board or the supervisory board of thyssenkrupp Group companies (so-called "dual mandates"), are employees of thyssenkrupp Group companies and/or hold shares in thyssenkrupp Group companies, including shares acquired, or to be acquired, as part of the remuneration they receive from thyssenkrupp

Group companies. Following the Admission to Trading, given the size of thyssenkrupp AG's shareholding in the Company, members of thyssenkrupp Group companies' management board or supervisory board or other employees of the thyssenkrupp Group will continue to be members of the Supervisory Board or other boards of Group companies. Since the interests of thyssenkrupp Group companies and the Company are not necessarily always the same, the aforementioned dual mandates and other relationships with the thyssenkrupp Group may in the future potentially result in conflicts of interest.

The Group's failure to adequately manage any of the foregoing risks could adversely affect the Group's reputation, business, results of operations, cash flow, financial condition or prospects.

1.7 Risks Related to the Shares and the Admission to Trading

1.7.1 The Shares have not been publicly traded and there is no guarantee that an active and liquid market for the Shares will develop or can be maintained.

Prior to the Admission to Trading of the Shares, there was no public trading market for the Shares. Therefore, an active and liquid trading market may not develop or continue after the Admission to Trading and the share price could decline. Investors may not be able to sell their Shares quickly or at the market price if there is no active trading in the Shares.

1.7.2 The market price and trading volume of the Shares may fluctuate significantly and could decline following the start of trading, and investors could lose some or all of their investment.

The trading volume and price of the Shares may fluctuate significantly, in particular given that there has been no public offering or private placement of Shares prior to the Admission to Trading. The share price is determined by the supply of and demand for the Shares and may not necessarily reflect the fair value of the Company. Some of the factors that could negatively affect the share price or result in fluctuations in the price or trading volume of the Shares include, for example, the inability of the Group to the targets disclosed in this Prospectus, *ad hoc* developments, fluctuations in the Group's actual or projected operating results, variations in quarterly results, failure to meet securities analysts' expectations, the contents of published research reports about the Company, the Group or the naval defense industry or securities analysts failing or ceasing to cover the Company, the Group following the Admission to Trading, actions by institutional shareholders, general market conditions or special factors influencing companies active in the naval defense industry. Fluctuations in the equity markets could also cause the share price to decline, even though such general fluctuations may not necessarily have any particular basis in the Group's business, results of operations and prospects.

In addition, as of the date of this Prospectus, only a small number of the listed companies in Germany have the legal form of a KGaA. Some investors may not be familiar with the German legal form of a KGaA, even where they have comparable structures in their home countries. The lack of familiarity of investors with the German legal form of a KGaA or other aspects of the Company's corporate structure could adversely affect trading in the Shares.

There is no assurance that the price at which the Shares will be traded following the start of trading will reflect the Company's expected valuation. If the share price declines, investors may be unable to resell their Shares at or above their purchase price and may lose some or all of their investment in the Shares.

1.7.3 Any future sales of the Shares by the Company's shareholders or the Existing Shareholder could depress the market price of the Shares.

Sales of a substantial number of Shares in the public market following the listing of the Shares, or the perception that such sales might occur, could depress the market price of the Shares, and could impair the Company's ability to raise capital through the sale of additional equity securities.

Upon completion of the Spin-off, thyssenkrupp AG will continue to indirectly hold 51.0% of the Company's share capital through the Existing Shareholder. The Shares owned by thyssenkrupp AG are subject to a customary lock-up period following the listing of the Shares, subject to certain exemptions. thyssenkrupp AG, whose interests may not

be aligned with those of other shareholders of the Company, may dispose of its Shares under such exemptions, or upon expiration of the lock-up period. There may be a significant adverse effect on the market price of the Shares if thyssenkrupp AG or any other major shareholder were to sell substantial amounts of the Shares or if market participants were to believe that such sales might occur.

Any future sales of Shares by the Company's shareholders or thyssenkrupp AG through the Existing Shareholder could therefore depress the market price of the Shares.

1.7.4 The acquisition of a substantial interest in the Company by foreign investors requires government approval, which may restrict certain investments and limit demand for the Shares.

Some products in our portfolio qualify as military goods or services or as dual-use goods (usable for both civil and military purposes) under the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*). Therefore, under German foreign trade law and potentially the laws of other jurisdictions, the acquisition of a certain shareholding in the Company is subject to government approval requirements. The BMW E may in specific cases review the direct or indirect acquisition of Shares by a foreign acquirer, if the acquirer directly or indirectly would control 10% or more of the voting rights of the Company following the acquisition. Sections 55 et seq. of the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*) provide for a BMW E clearance within the cross-sectoral examination. The proposed acquisition must be notified in writing to the BMW E, which will only approve the acquisition if there are no objections to the acquisition with regard to essential security interests of the Federal Republic of Germany.

The BMW E may prohibit or restrict an acquisition if it endangers the public order or security in Germany (cross-sectoral examination). Within two months of the receipt of the notification, the BMW E can issue a clearance (*Freigabe*) with respect to an acquisition within the meaning of Section 55 of the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*) if there are no objections to the acquisition with regards to public order or security in Germany. Otherwise, the BMW E can open an in-depth review of the acquisition with a review period of four months. If an objection is found, the BMW E can prohibit the direct acquirer from making an acquisition within the meaning of Section 55 of the German Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*), or issue instructions in order to ensure the public order or security in Germany.

These restrictions on and approval requirements for the acquisition of a substantial shareholding in the Shares may restrict certain investments and limit demand for the Shares.

1.7.5 We may not be able to pay dividends in the foreseeable future or ever.

The Company intends to pay an annual dividend starting for the fiscal year ending September 30, 2026. Subject to the availability of distributable profit (*Bilanzgewinn*) and legal restrictions with respect to the distribution of profits and available funds, and subject to prevailing market conditions and economic situation at the time of the distribution, the Company intends to pay an annual dividend of approximately 30-50% of the Group's consolidated net income attributable to the shareholders of the Company according to the German Commercial Code (*Handelsgesetzbuch*, "HGB"), provided that the payment of such annual dividend is covered by the Company's free cash flow, for the first time for the fiscal year ending September 30, 2026 (non-cumulative, the Company will not pay any dividends for the fiscal year ending September 30, 2025). As dividends may only be distributed from distributable profit (*Bilanzgewinn*) of the Company, the Company will only be able to make dividend payments in the envisaged amount if sufficient net retained profits are available to the Company. The net income attributable to the shareholders is calculated based on the Company's annual individual financial statements prepared in accordance with the accounting principles of the HGB. Accounting principles set forth in the HGB differ from IFRS in material respects. The Company may not be able to generate sufficient unappropriated retained earnings to be able to distribute dividends under the requirements of German corporate law in the future.

Furthermore, the Company is a holding company with no material business operations of its own. The principal assets of the Company are its direct and indirect equity interests in its operating subsidiaries. As a result, the Company

is dependent on these subsidiaries in order to generate the funds required to meet the Company's financial obligations and make dividend payments, if any. The ability of the Company's subsidiaries to make distributions and other payments to the Company depends on the subsidiaries' earnings and is subject to various contractual and statutory limitations.

Any determination to pay dividends in the future will be at the discretion of the Management Board and will depend upon the Company's results of operations, financial condition, contractual restrictions, restrictions imposed by applicable laws and other factors management deems relevant. Consequently, the Company may not be able to pay dividends in the foreseeable future or at all. The materialization of the risk described above could cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

1.7.6 Future capitalization measures may lead to substantial dilution, i.e., a reduction in the value of the Shares and the control rights of existing shareholders' interests in us. Future offerings of debt or equity securities may adversely affect the market price of the Shares.

We may require additional capital in the future to finance our business operations and growth. The raising of additional equity through the issuance of new Shares, the potential exercise of conversion or option rights by holders of convertible bonds or bonds with warrants or the fulfillment of conversion obligations relating to such bonds, which may be issued in the future, and the exercise of stock option rights which may be granted to the Management Board members and certain other employees, may dilute shareholder interests. The Company's articles of association (the "**Articles of Association**") currently provide for the issuance of up to 17.5 million additional Shares as authorized capital and up to 7.5 million additional Shares as conditional capital. We may issue all of these Shares without any action or approval by the shareholders, and under certain limited conditions, for example in the event of a capital increase against contributions in kind, without reserving any preemptive subscription rights for the shareholders. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of future offerings. Therefore, holders of Shares bear the risk that future offerings might reduce the market price of the Shares and dilute their shareholdings in the Company, which could cause the price of the Shares to fall, in which case investors could lose some or all of their investment.

1.7.7 We will face additional administrative requirements and incur higher ongoing costs as a result of our operation as an independent publicly listed company.

After the Spin-off, the Company will for the first time be subject to the legal requirements for German stock corporations listed on the regulated market of a public exchange and the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), the German Securities Trading Act (*Wertpapierhandelsgesetz*) and Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse ("**MAR**"). These requirements include periodic financial reporting and other public disclosures of information (including those required by the stock exchange listing authorities), regular calls and meetings with securities and industry analysts, and other required disclosures.

The Group's accounting, controlling and legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies that cause it to incur significant additional expenditure and/or expose it to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conduct of general meetings and the Company's regular communications with shareholders and potential investors will entail substantially greater expenses.

The Group's management may also need to devote time and other resources to these additional requirements that it could have otherwise devoted to other aspects of managing its operations. These additional requirements could also entail substantially increased time commitments and costs for the accounting, controlling, legal and investor relations departments and other Group administrative functions. In addition, the Group may be required to hire additional

employees or engage outside consultants to comply with such requirements, which could increase the Group's costs and expenses.

Any inability of the Company's administrative functions to handle the additional demands placed on it by becoming a company with listed shares, as well as any costs resulting therefrom, may have a material adverse effect on the Group's business, assets, results of operations, financial condition and prospects.

1.7.8 Shareholders of the Company in jurisdictions outside Germany may not be able to participate in future issues of Shares unless the Company decides to take additional steps to comply with applicable local laws and regulations of such jurisdictions.

Under German corporate law, shareholders generally have subscription rights (*Bezugsrechte*) relating to any shares issued in a capital increase, or convertible bonds or bonds with warrants, in proportion to their shareholding, subject to certain exceptions which allow for an exclusion of preemptive rights. Due to restrictions in other jurisdictions, including the US, shareholders outside of Germany may be prohibited, under applicable law, or excluded under the terms of the capital measure, from participating in future capital measures or such participation may be difficult. In addition, shareholders may not be able to participate in potential future capital measures if they do not have the funds necessary to subscribe for new securities or if the subscription rights are excluded. This could result in dilution of those shareholders' proportionate interests in the Company. Open market purchases to counteract such dilution could be on terms less favorable than those offered to other shareholders in connection with such a capital increase.

1.7.9 Shareholders from outside the eurozone may be subject to foreign currency exchange rate risk.

The Shares are, and any dividends to be paid in respect of them will be, denominated in Euro. An investment in the Shares by an investor whose principal currency is not the Euro exposes the investor to foreign currency exchange rate risk. Any depreciation of the Euro in relation to an investor's principal currency will reduce the value of such an investor's investment in the Company's Shares or any dividends in relation to such currency.

2 General Information

2.1 General Information regarding this Prospectus

2.1.1 Responsibility for the Content of this Prospectus

TKMS AG & Co. KGaA, a stock corporation governed by German law, with its registered office at thyssenkrupp Allee 1, 45143 Essen, Federal Republic of Germany (“**Germany**”) and its business address at Werftstraße 112-114, 24143 Kiel, Germany, registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Essen under HRB 37039, telephone +49 431 700 0, and Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany, Legal Entity Identifier (“**LEI**”) 7LTFWZYICNSX8D621K86 (“**Deutsche Bank**”), Citigroup Global Markets Europe AG, Börsenplatz 9, 60313 Frankfurt am Main, Germany, LEI 6TJCK1B7E7UTXP528Y04 (“**Citigroup**”) and COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, LEI 851WYG NLUQLFZBSYGB56 (“**COMMERZBANK**”, and together with Deutsche Bank and Citigroup, the “**Listing Agents**”), acting as financial advisors and Listing Agents, as well as Macquarie Capital France SA, Niederlassung Deutschland, Bockenheimer Landstraße 2-4, 60306 Frankfurt am Main, Germany, LEI 54930024VJSBHTID7T41 (“**Macquarie Capital**”), Banco Bilbao Vizcaya Argentaria, S.A. Ciudad BBVA, Calle Azul 4, 28050 Madrid, Spain, LEI K8MS7FD7N5Z2WQ51AZ71 (“**BBVA**”), Crédit Agricole Corporate and Investment Bank, 12 Place Des Etats Unis, CS 70052, Montrouge Cedex, 92547, France, LEI 1VUV7VQFKUOQSJ21A208 (“**Crédit Agricole CIB**”) and Société Générale, 29 boulevard Haussmann, 75009 Paris, France, LEI O2RNE8IBXP4R0TD8PU41 (“**Société Générale**”), acting as additional financial advisors (together with the Listing Agents, the “**Banks**”) assume responsibility for the content of this Prospectus pursuant to section 8 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), as well as article 11 para. 1 of the Prospectus Regulation and declare that the information contained in this Prospectus is, to best of their knowledge, in accordance with the facts and that the Prospectus makes no omissions likely to affect its import.

2.1.2 Competent Authority Approval

This Prospectus has been approved on October 13, 2025 in accordance with Art. 20 para. 2 of the Prospectus Regulation by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, the “**BaFin**”), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main, Germany (telephone: +49 228 4108 0; website: www.bafin.de), as competent authority under the Prospectus Regulation. The BaFin only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the Company that is the subject of this Prospectus.

Investors should make their own assessment as to the suitability of investing in the Shares of the Company.

2.1.3 Company’s Legal Entity Identifier (LEI) and website

The Company’s LEI is: 529900W81B194B0E0078.

The Company’s website is www.tkmsgroup.com. Information contained on the Company’s website is not incorporated by reference in this Prospectus, does not form part of this Prospectus and has not been scrutinized or approved by BaFin as the competent authority.

2.1.4 Important Information

If any claims are asserted before a court of law based on the information contained in this Prospectus, the investor appearing as plaintiff may have to bear the costs of translating this Prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

Prospective investors should read the entire document and, in particular, the section headed “Risk Factors”, when considering an investment in the Company.

Neither the Company nor the Banks are required by law to update this Prospectus subsequent to the date hereof, except in accordance with Article 23 of the Prospectus Regulation, which stipulates that every significant new factor, material mistake, or material inaccuracy relating to the information included in a prospectus which may affect the assessment of the securities and which arises or is noted between the time when the prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to the prospectus without undue delay.

2.2 Subject Matter of this Prospectus

This Prospectus relates to the admission to trading to the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (the “**Admission to Trading**”) of 32,397,060 existing ordinary bearer shares with no-par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) (the “**Existing Shares**”) and 31,126,587 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*) from a capital increase against contribution in kind resolved upon by an extraordinary general meeting of the Company on August 8, 2025 (the “**New Shares**”, together with the Existing Shares, the “**Shares**”). Each Share represents a notional share of €1.00 in the Company’s share capital per no-par value share and carries full dividend rights as of October 1, 2024 (with International Securities Identification Number (“**ISIN**”): DE000TKMS001). The Company’s LEI is 529900W81B194B0E0078.

For more details regarding the Spin-off see “3 Separation, Spin-off and Admission to Trading”.

2.3 Validity of this Prospectus

The validity of this Prospectus will expire with the beginning of the trading of the Shares on the regulated market of the Frankfurt Stock Exchange, which is expected to occur on October 20, 2025 and no obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will apply when this Prospectus is no longer valid.

2.4 Forward-Looking Statements

This Prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to present or historical facts and events. Statements in this Prospectus containing information relating to, among other things, (i) the Group’s future earnings, cash flows, capital expenditures and profitability (including the detailed guidance and targets set out under “21 Recent Developments and Outlook”), (ii) the Group’s plans and expectations regarding its business, (iii) the Group’s strategy, and (iv) projected industry growth in the markets in which the Group operates are all examples of forward-looking statements. In addition, statements made using the words “anticipates”, “contemplates”, “continues”, “could”, “is likely”, “will”, “believes”, “expects”, “assumes”, “estimates”, “predicts”, “targets”, “intends” or “in its estimation” or the negative of these words indicate forward-looking statements.

The forward-looking statements in this Prospectus are subject to uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of the Company’s present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause the Company’s actual results, including the financial condition and profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. Accordingly, investors are strongly advised to consider this Prospectus as a whole and particularly ensure that they have read the following sections of this Prospectus: “7 Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “8 Profit Estimate”, “9 Markets and Competition”, “10 Business”, “11 Regulatory Environment” and “21 Recent Developments and Outlook”. These sections include more detailed descriptions of factors that might have an impact on the Group’s business and the business environment in which the Group operates.

In light of these factors, it is possible that the future events mentioned in this Prospectus might not occur and future projections may prove to be inaccurate. In addition, the forward-looking estimates and forecasts reproduced in this

Prospectus from third-party reports could prove to be inaccurate (see “2.6 Sources of Market Data and Other Information from Third Parties” for more information on third-party sources used in this Prospectus).

2.5 Presentation of Financial Information

The combined financial statements of the Company prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“**IFRS**”) as of and for the fiscal years ended September 30, 2024, 2023, 2022 (the “**Audited Combined Financial Statements**”) were audited in accordance with International Standards on Auditing by KPMG AG Wirtschaftsprüfungsgesellschaft, Luise-Straus-Ernst-Straße 2, 50679 Cologne, Germany (“**KPMG**”), who issued on September 4, 2025 an independent auditor’s report thereon. The unaudited condensed combined interim financial statements of the Company as of and for the nine months ended June 30, 2025 were prepared in accordance with IFRS applicable to interim financial reporting (IAS 34) as adopted by the European Union (the “**Unaudited Condensed Combined Interim Financial Statements**”, and, together with the Audited Combined Financial Statements, the “**Combined Financial Statements**”). During the fiscal years ended September 30, 2025, 2024, 2023 and 2022, the Company did not conduct operations as an independent group.

The audited unconsolidated financial statements of the Company as of and for the fiscal year ended September 30, 2024 (the “**Audited Unconsolidated Financial Statements**”) were prepared in accordance with the HGB and audited by KPMG, who issued on August 15, 2025 an independent auditor’s report thereon.

The aforementioned financial statements are included in the following section of this Prospectus “19 Financial Information” beginning on page F-1.

Where financial information in the tables in this Prospectus is labeled “audited”, this means that it has been taken from the Audited Combined Financial Statements or from the Audited Unconsolidated Financial Statements mentioned above. The label “unaudited” is used in the tables in this Prospectus to indicate financial information that has not been taken from the Audited Combined Financial Statements mentioned above, but has been taken either from the Unaudited Condensed Combined Interim Financial Statements or the accounting records or the internal reporting systems of the Group, or is derived from the Audited Combined Financial Statements or from the Audited Unconsolidated Financial Statements, or has been calculated based on figures from the aforementioned sources.

2.6 Sources of Market Data and Other Information from Third Parties

To the extent not otherwise indicated, the information contained in this Prospectus on the market environment, market developments, market and economic growth rates, market trends and competition in the markets in which the Group operates are based on the Company’s assessments and estimates. These assessments are, in turn, based on publicly available sources, including, but not limited to, third-party studies or estimates that are also primarily based on data or figures from publicly available sources. They are also based in part on privately commissioned reports.

The following sources were used in the preparation of this Prospectus:

- McKinsey & Company “Innovation and efficiency: Increasing Europe’s defense capabilities”, February 2024 available at <https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/innovation-and-efficiency-increasing-europes-defense-capabilities> (“**McKinsey & Company A**”)
- McKinsey & Company “Shifting currents: The role of shipbuilders in enhancing naval fleets”, November 2024 available at <https://www.mckinsey.com/industries/aerospace-and-defense/our-insights/shifting-currents-the-role-of-shipbuilders-in-enhancing-naval-fleets> (“**McKinsey & Company B**”)
- McKinsey & Company “Mission Verteidigungsfähigkeit”, September 2025 available at <https://www.mckinsey.com/de/~ /media/mckinsey/locations/europe%20and%20middle%20east/deutschland/news/presse/2025/2025-08->

25%20mission%20verteidigungsfaehigkeit/august%202025_mckinsey_mission%20verteidigungsfaehigkeit.pdf (“**McKinsey & Company C**”)

- Munich Security Conference “Defense Sitters, Transforming European Militaries in Times of War”, June 2023 available at <https://securityconference.org/en/publications/special-editions/defense-sitters/> (“**Munich Security Conference**”)
- NATO “The Hague Summit Declaration”, June 2025 available at https://www.nato.int/cps/en/natohq/official_texts_236705.htm (“**NATO Declaration**”)
- SIPRI “Trends in World Military Expenditure, 2024”; April 2025 available at https://www.sipri.org/sites/default/files/2025-04/2504_fs_milex_2024.pdf (“**SIPRI**”)
- Uppsala Conflict Data Program, April 2025 available at <https://ucdp.uu.se> (“**Uppsala Conflict Data Program**”)

This Prospectus also contains estimates of market data and information derived from these estimates that are generally not available from publications issued by market research firms or from any other independent sources. This information is based on the Group’s analysis and aggregation of local management feedback on market position and ongoing market developments, adjusted and supplemented where necessary by a combination of publicly available and non-public data (such statements are labeled as “Company information”) and, as such, may differ from the estimates made by its competitors or from data collected in the future by various market research firms or other independent sources.

Third-party sources generally state that the information they contain originates from sources assumed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the calculations contained therein are based on assumptions.

In this Prospectus, the term “market” refers to a geographic or economic area, as applicable, within which the Group or another business conducts commercial dealings, rather than the “relevant market” as commonly understood in the context of competition law analysis.

Irrespective of the assumption of responsibility for the content of this Prospectus by the Company and the Listing Agents (see “*2.1.1 Responsibility for the Content of this Prospectus*”), neither the Company nor the Banks have independently verified the market data and other information on which third parties have based their studies or the external sources on which the Company’s own estimates are based or make any representation or give any warranty as to the accuracy or completeness of such information. The information from third-party sources that is cited here has been reproduced accurately. As far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted that would render the reproduced information included in this Prospectus inaccurate or misleading. Investors should nevertheless consider this information carefully.

2.7 Documents Available for Inspection

For the period during which this Prospectus is valid, the following documents, or copies thereof, will be available for inspection on the Company’s website at <https://ir.tkmsgroup.com/>:

- the articles of association of the Company (the “**Articles of Association**”);
- the Audited Combined Financial Statements of the Company as of and for the fiscal years ended September 30, 2024, 2023 and 2022;
- the Unaudited Condensed Combined Interim Financial Statements of the Company as of and for the nine months ended June 30, 2025; and

- the Audited Unconsolidated Financial Statements of the Company as of and for the fiscal year ended September 30, 2024.

The future annual consolidated financial statements and half-year interim consolidated financial statements of the Group as well as annual unconsolidated financial statements of the Company will also be made available on the Company’s website after the commencement of trading of the Shares on the Frankfurt Stock Exchange. The Company’s future annual combined and annual unconsolidated financial statements will also be published in the German Company Register (*Unternehmensregister*).

Information on the Company’s website at www.tkmsgroup.com and on the websites of any of its affiliates, and information accessible via these websites, is neither part of nor incorporated by reference into this Prospectus and has not been scrutinized or approved by BaFin as the competent authority.

2.8 Note on Currency

The following table explains the denotation of currencies used in this Prospectus:

Symbol used	Legal currency of
“EUR”, “€” or “Euro”	the participating member states in the third stage of the European Economic Union pursuant to the Treaty Establishing the European Community
“USD”, “\$” or “US dollar”	United States

The abbreviation “t” preceding currency data stands for “thousand”, the abbreviation “m” stands for “million” and the abbreviation “bn” stands for billion.

2.9 Negative Numbers and Rounding

Unless otherwise indicated, financial information presented in the text and tables in this Prospectus is shown in million Euro (€), rounded to a whole number. Percentage changes, ratios, subtotals and totals in the text and tables of this Prospectus are calculated based on the respective numbers as presented and then rounded to a whole percentage or to one digit after the decimal point. Because of rounding, figures shown in tables in this Prospectus do not necessarily add up exactly to the respective totals or sub-totals presented, and aggregated percentages may not exactly equal 100%. Furthermore, these rounded figures may vary marginally from unrounded figures that may be indicated elsewhere in this Prospectus. Financial information presented in parentheses denotes the negative of such number presented. In respect of financial information set out in this Prospectus, a dash (“—”) signifies that the relevant figure is not available, while a zero (“0”) or nil signifies that the relevant figure is available but has been rounded to or equals zero.

2.10 Time Specifications

References to “CET” in this Prospectus refer to Central European Time or Central European Summertime, as the case may be. References to time in this Prospectus refer to CET, unless stated otherwise.

2.11 Enforcement of Civil Liabilities

The Company is a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*), whose General Partner (*Komplementär*), TKMS Management AG, is a German stock corporation (*Aktiengesellschaft*), both governed by German law, and substantially all of the Company’s assets are located outside the United States. In addition, most members of the Management Board and the Supervisory Board are non-residents of the United States and substantially all of their assets are located outside the United States.

As a result, it may not be possible for investors to effect service of process within the United States upon the Company or such persons or to enforce against them or the Company judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon the United States' federal securities laws, may not be enforceable, either in whole or in part, in Germany. Furthermore, mandatory provisions of German law may apply regardless of any other law that would otherwise apply.

However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against the Company or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to rehear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

3 Separation, Spin-off and Admission to Trading

3.1 Overview & Timetable

Before completing the separation of thyssenkrupp Group's Segment Marine Systems, (the "**Spin-off**") (see "*3.3 Spin-off*"), a number of legal and organizational preparatory measures had to be implemented. To this end, the foundations for the independent establishment of the new Group were first laid by bundling all companies relating to the Segment Marine Systems under TKMS GmbH and thus indirectly under the Company as the new parent company of the Segment Marine Systems or newly formed Group (see "*3.2.1 Intra-group reorganization*" and "*3.2.2 Termination and renewal of inter-company agreements*" below). Furthermore, the structure necessary for the Spin-off was created and the stock exchange listing of the Company was prepared by converting it into a legal form suitable for access to capital markets (see sections "*3.2.3 Implementation of the change in legal form of the Company*" and "*3.2.4 Establishment of the Spin-off structure*" below). In addition, further measures were taken to set-up the Segment Marine Systems as independent in operational and organizational terms (see section "*3.2.6 Further preparatory measures for the Spin-off*" below).

The following table provides an overview of the most important steps of the separation of thyssenkrupp Group's Segment Marine Systems, the Spin-off and the Admission to Trading:

Timing	Summary
June 23, 2025	<ul style="list-style-type: none">• Conclusion of the spin-off and transfer agreement ("Spin-off and Transfer Agreement") relating to the Spin-off between the Company and thyssenkrupp AG.• Under the Spin-off and Transfer Agreement, thyssenkrupp AG transfers all shares in TKMS Beteiligungsgesellschaft mbH to the Company (i.e. all fully paid-up shares with the serial numbers 1 to 25,000 with a nominal value of €1.00 each) by way of the Spin-off by absorption (<i>Abspaltung zur Aufnahme</i>) against the granting of 31,126,587 newly issued shares in the Company, created by the Spin-off Capital Increase (as defined below), to the shareholders of thyssenkrupp AG, and in proportion to their shareholdings in thyssenkrupp AG. The transfer of the shares in TKMS Beteiligungsgesellschaft mbH to the Company by way of the Spin-off shall occur with economic effect as of 0:00 a.m. on January 1, 2025. From that date, all acts taken by thyssenkrupp AG in relation to the assets to be spun off shall be deemed to have been performed for the account of the Company.
August 8, 2025	<ul style="list-style-type: none">• Approval of the Spin-off and Transfer Agreement (99.96% of the votes cast) by the extraordinary general meeting of thyssenkrupp AG.
August 8, 2025	<ul style="list-style-type: none">• Approval of the Spin-off and Transfer Agreement (including its approval as a post-formation agreement) (100% of the votes cast) by the extraordinary general meeting of the Company.• Resolution of the extraordinary general meeting of the Company on increasing the Company's share capital of €32,397,060 by €31,126,587 to €63,523,647 by issuing 31,126,587 no-par value bearer shares with a notional proportional amount in the share capital of €1.00 per share (the "Spin-off Capital Increase").

October 13, 2025	•	Approval of the Prospectus by BaFin.
On or about October 16, 2025 (expected)	•	Date of the effectiveness of the Spin-off Capital Increase.
On or about October 17, 2025 (expected)	•	Date of the effectiveness of the Spin-off upon the registrations of the Spin-off and the Spin-off Capital Increase with the relevant commercial registers (the “ Spin-off Effective Date ”).
On or about October 17, 2025 (expected)	•	Admission to trading approval issued by the Frankfurt Stock Exchange; allocation of the new spin-off shares to the shareholders of thyssenkrupp AG.
On or about October 20, 2025 (expected)	•	First day of public trading of the Shares on the Frankfurt Stock Exchange.

3.2 Separation of the Segment Marine Systems

3.2.1 Intra-group reorganization

In preparation for the Spin-off, a number of legal and organizational preparatory measures were taken in order to separate the Segment Marine Systems within the thyssenkrupp Group and to bundle it beneath a single entity within the newly formed Group. To this end, thyssenkrupp AG has bundled the companies assigned to the Segment Marine Systems, with the exception of TKMS Transrapid GmbH (“**TCCT**”), which is intended to become a sister company of TKMS GmbH immediately after the Spin-off, by way of an intra-group reorganization under TKMS GmbH as the central operating lead entity, whose shares will in future be held by the Company as the new ultimate parent company of the Group. The bundling was achieved by means of intra-group sales of various domestic and foreign segment companies.

In a first step, German entities assigned to the Segment Marine Systems were bundled under TKMS GmbH. To this end, 75% of the shares in TKMS ATLAS ELEKTRONIK GmbH, 89.9% of the shares in SVG Steinwerder Verwaltungsgesellschaft mbH and 100% of the shares in Blohm + Voss Shipyards & Services GmbH and A 400 Frigate Company GmbH (then operating under the name German Marine Systems GmbH) were sold and transferred from thyssenkrupp Technologies Beteiligungen GmbH (the “**Existing Shareholder**”) to TKMS GmbH. Furthermore, in accordance with a carve-out agreement concluded in 2019 between thyssenkrupp Industrial Solutions AG (“**tkIS AG**”), TKMS GmbH and Blohm + Voss Shipyards & Services GmbH, a 50% share in Arbeitsgemeinschaft F125 GbR was transferred from tkIS AG to TKMS GmbH with consent of the co-shareholder NVL B. V. & Co. KG, which holds an equal share. The co-shareholder also acquired a 33.3% shareholding in the above-mentioned A 400 Frigate Company GmbH. The remaining 10.1% shareholding held by thyssenkrupp AG in SVG Steinwerder Verwaltungsgesellschaft mbH was sold and transferred to TKMS GmbH in April 2025. The 14.9% shareholding of the Existing Shareholder in TKMS ATLAS ELEKTRONIK GmbH was transferred to TKMS GmbH with effect from July 1, 2025.

Moreover, the minority shareholdings held by thyssenkrupp AG in TKMS GmbH and TKMS ATLAS ELEKTRONIK GmbH, each amounting to 10.1%, and of thyssenkrupp Holding Germany GmbH in TKMS Wismar GmbH, also amounting to 10.1%, were sold and transferred with effect from the date of the Spin-off Capital Increase resulting in the issuance of the New Shares, which is expected to take effect on or about October 16, 2025.

In a further step, foreign entities assigned to the Segment Marine Systems were bundled under TKMS GmbH. tk Singapore Pte. Ltd. sold and transferred all shares in tk Marine Systems Singapore Pte. Ltd., which in turn holds all shares in Blohm + Voss El Djazair S.à r.l. (Algeria), to TKMS GmbH. Furthermore, tkIS AG sold and transferred 20% of the shares in the Portuguese company LISNAVE ESTALEIROS NAVAIS, S.A. to TKMS GmbH. Finally,

thyssenkrupp Brasil Ltda. sold 0.00000042% of the shares in thyssenkrupp Marine Systems do Brasil Indústria e Comércio Ltda. to TKMS GmbH and the Existing Shareholder sold and transferred a 0.5% shareholding in the British company thyssenkrupp Marine Systems LLP (including its 0.5% shareholding in thyssenkrupp Marine Systems (India) Private Limited) to Howaldtswerke-Deutsche Werft Beteiligungs-GmbH, a wholly owned subsidiary of TKMS GmbH.

3.2.2 Termination and renewal of inter-company agreements

As part of the intra-group reorganization in preparation for the Spin-off, the existing domination and/or profit and loss transfer agreements (*Beherrschungs- und/oder Gewinnabführungsverträge*) (one or more “DPLTA(s)”) between the Existing Shareholder and various companies assigned to the Segment Marine Systems, specifically TKMS ATLAS ELEKTRONIK GmbH, A 400 Frigate Company GmbH (operating as German Marine Systems GmbH when the termination agreement was concluded), Blohm + Voss Shipyards & Services GmbH and SVG Steinwerder Verwaltungsgesellschaft mbH, were terminated with effect from September 30, 2024.

With effect from October 1, 2024, DPLTAs were concluded between TKMS GmbH on the one hand and TKMS ATLAS ELEKTRONIK GmbH, A 400 Frigate Company GmbH, Blohm + Voss Shipyards & Services GmbH and SVG Steinwerder Verwaltungsgesellschaft mbH, as the case may be, on the other hand. In addition, the DPLTA between the Existing Shareholder and TKMS GmbH and the DPLTA between the Existing Shareholder and TCCT were each terminated by a termination agreement in June 2025 with effect from September 30, 2025. Furthermore, it is planned that the Company and TKMS GmbH, as well as the Company and TCCT, will each conclude a new DPLTA with retroactive effect from October 1, 2025 after the envisaged upstream merger of TKMS Beteiligungsgesellschaft mbH onto the Company has been registered with the commercial register of the Company (see “3.2.5 Implementation of the Merger”). As a result, the newly established Group, whose parent company will be the Company, will form with the above-mentioned companies of the Segment Marine Systems an integrated group established under enterprise agreements (*Vertragskonzern*) with retroactive effect from October 1, 2025.

3.2.3 Implementation of the change in legal form of the Company

In the course of establishing the Spin-off structure, the Company, which was previously organized as a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) and operated under the company name “thyssenkrupp Projekt 2 GmbH”, has been converted into a partnership limited by shares (*Kommanditgesellschaft auf Aktien – KGaA*) by way of a change of legal form. The change of legal form took effect on July 17, 2025 upon entry in the commercial register of the Company at the local court (*Amtsgericht*) of Essen, Germany.

The Company is managed by its general partner TKMS Management AG. TKMS Management AG, which was previously organized as a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) and operated under the company name “thyssenkrupp Projekt 10 GmbH”, was formed by way of a change of legal form, which became effective upon entry in the commercial register of TKMS Management AG at the local court (*Amtsgericht*) of Essen, Germany, on May 21, 2025.

3.2.4 Establishment of the Spin-off structure

In the course of the Spin-off, the shareholders of thyssenkrupp AG, as the transferring entity, will receive new shares to be issued in the Company, as the acquiring entity, in proportion to their shareholding quota in thyssenkrupp AG (so-called pro rata spin-off (*verhältnismwahrende Abspaltung*)). As a result, the shareholders of thyssenkrupp AG will hold shares in the Company in proportion to the ratio of the value of the assets to be spun off (in this case, the shareholding in TKMS Beteiligungsgesellschaft mbH) to the value of the existing assets of the Company.

In order to ensure that the allocation ratio, i.e. the number of Shares that the shareholders of thyssenkrupp AG will receive in the Company may be determined accurately and reliably, the so-called “zero-value model” (“*Nullwertmodell*”) has been proven and recognized in practice. According to this model, the allocation ratio corresponds to the ratio in which the Company and TKMS Beteiligungsgesellschaft mbH hold shares in TKMS GmbH and TCCT prior to the Spin-off taking effect, provided that neither the Company nor

TKMS Beteiligungsgesellschaft mbH hold any further assets or the value of such further assets is compensated for by appropriate measures, respectively.

The following steps have been taken to establish the Spin-off structure and implement the zero-value model:

The vast majority of the share transfers required to establish the Spin-off structure are subject to foreign investment control clearance. thyssenkrupp AG has, in a preliminary step, obtained the necessary investment control clearances with regard to the relevant share transfers.

To establish the Spin-off structure, thyssenkrupp AG first sold and transferred all shares in the Company to the Existing Shareholder at the end of February 2025.

In preparation for the Spin-off, the Existing Shareholder sold and transferred its entire shareholding in TCCT on July 1, 2025 to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH. The shareholding quota in TCCT transferred to the Company corresponds to the desired proportional shareholding of thyssenkrupp AG in the Company after the Spin-off; the shareholding quota in TCCT transferred to TKMS Beteiligungsgesellschaft mbH corresponds to the proportional shareholding of the shareholders of thyssenkrupp AG in the Company after the Spin-off.

In a further step, on July 1, 2025, the Existing Shareholder sold and transferred its entire 89.9% shareholding in TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. – as in the transfer of TCCT – 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH of these 89.9%. Any foreign investment control clearances required for the respective transfer were available at the time the corresponding share purchase and transfer agreements were concluded. The shares transferred to the Company correspond to the desired proportional shareholding of thyssenkrupp AG in the Company after the Spin-off; the shares transferred to TKMS Beteiligungsgesellschaft mbH correspond to the proportional shareholding of the shareholders of thyssenkrupp AG in the Company after the Spin-off. Also, on July 1, 2025, the Existing Shareholder sold and transferred its 14.9% shareholding in TKMS ATLAS ELEKTRONIK GmbH to TKMS GmbH with effect from July 1, 2025.

Moreover, in the course of the implementation of the Spin-off structure, share purchase and transfer agreements were signed on July 1, 2025 for the minority shareholdings of thyssenkrupp AG in TKMS GmbH and TKMS ATLAS ELEKTRONIK GmbH as well as thyssenkrupp Holding Germany GmbH in TKMS Wismar GmbH, each amounting to 10.1%.

The relevant share purchase and transfer agreements stipulate that the legal effectiveness of the agreements for the transfer of the aforementioned minority shareholdings is in each case subject to the condition precedent that the Spin-off takes effect (with a specific order regarding the effective date of the agreements and the transfer of shares).

Moreover, the transfer of thyssenkrupp AG's 10.1% minority shareholding in TKMS GmbH to the Company was subject to a further condition: As the Company became economically active for the first time (which is referred to as "formation of a new entity in commercial terms" (*wirtschaftliche Neugründung*)) less than two years prior to the conclusion of the share purchase and transfer agreement between it and thyssenkrupp AG on the sale and transfer of the minority shareholding in TKMS GmbH, the provisions on post-formation audits applied. The purchase and transfer agreement was concluded at a time when the Company still had the legal form of a GmbH. However, the validity of the contractual and in rem rights and obligations (*schuldrechtliche und dingliche Ansprüche bzw. Verpflichtungen*) provided for in the share purchase and transfer agreement was entirely conditional upon the Spin-off taking effect and therefore only came into force after the change of legal form. Against this background, the managing directors of the Company were of the opinion that the post-formation provisions are applicable.

Pursuant to the provisions applying to post-formation transactions (*Nachgründungsvorschriften*), the Company's supervisory board therefore reviewed the share purchase and transfer agreement and prepared a written report on it (cf. section 245 para. 1 sentence 2 in conjunction with section 220 para. 3 sentence 2 of the German Transformation Act (*Umwandlungsgesetz*, "**UmwG**") in conjunction with section 52 para. 3, section 32 para. 2 and section 3 AktG

applied by analogy). In addition, the share purchase and transfer agreement was audited by a court-appointed auditor auditing the entire post-formation process (cf. section 245 para. 1 sentence 2 in conjunction with section 220 para. 3 sentence 2 UmwG in conjunction with section 52 para. 4 sentences 1 and 2 AktG applied by analogy in conjunction with section 33 paras. 3 to 5 and sections 34 et seq. AktG). Moreover, the Company's general meeting consented to the share purchase and transfer agreement as a post-formation agreement. This resolution was passed together with the resolution of the Company's general meeting on the Spin-off and Transfer Agreement. The share purchase and transfer agreement had then been filed for registration in the commercial register of the Company at the local court of Essen, Germany (cf. section 125 para. 1 sentence 1 in conjunction with section 78 sentence 1 and section 67 UmwG in conjunction with section 52 paras. 6 to 9 AktG applied by analogy). The share purchase and transfer agreement took effect after the consent to the post-formation agreement has been registered with the commercial register of the Company.

3.2.5 Implementation of the Merger

Once the Spin-off has taken effect, it is intended to merge TKMS Beteiligungsgesellschaft mbH onto the Company (the "**Merger**"). As part of the Merger, all assets of TKMS Beteiligungsgesellschaft mbH will pass to the Company. This will include, in particular, TKMS Beteiligungsgesellschaft mbH's 49.0% shareholding in TCCT and TKMS GmbH as well as all liabilities arising under the loan granted by TKMS GmbH to TKMS Beteiligungsgesellschaft mbH to finance the acquisition of such shareholding in TKMS GmbH (see section "*3.2.6 Further preparatory measures for the Spin-off*").

The Merger is intended to streamline the Group's structure and thus reduce general administrative costs. Furthermore, it is intended to ensure repayment of the loan granted by TKMS GmbH to TKMS Beteiligungsgesellschaft mbH. TKMS Beteiligungsgesellschaft mbH's liabilities arising under TKMS GmbH's claim for repayment of the loan will pass to the Company as part of the Merger. The latter will have sufficient proceeds to repay such loan as a result of the DPLTA to be concluded between the Company as the controlling entity and TKMS GmbH as the controlled entity, under which all profits of TKMS GmbH will have to be transferred to it.

The merger agreement between the Company and TKMS Beteiligungsgesellschaft mbH, on which the Merger is based, was concluded on August 8, 2025. Immediately after its conclusion, the merger agreement was submitted to both TKMS Beteiligungsgesellschaft mbH's shareholders' meeting and the Company's general meeting, which each passed a resolution to consent to the merger agreement. The Merger will take effect upon being registered with the commercial register of the Company and is expected for Summer 2026.

3.2.6 Further preparatory measures for the Spin-off

In preparation for the Spin-off, a number of further measures were taken to set-up the Segment Marine Systems independent in operational and organizational terms. In particular, the following measures have been or will be implemented:

- Set-up of a largely independent treasury function for the TKMS Subgroup, which will, however, obtain certain services from the thyssenkrupp Group even after the Spin-off has taken effect, such as participation in hedging transactions or services relating to pension management. Further, a separate cash pooling system within the Group has been set up, after the Group left the thyssenkrupp Group's cash pooling system. Also, with regard to collateral, in particular guarantees (*Garantien*), parent company guarantees and other liability statements (*Haftungserklärungen*) provided to cover corresponding requirements of the operating business of the Group measures have been or will be implemented.
- Adjustments of the Company's capital structure by, inter alia, cash contributions of approximately €31.1 million by thyssenkrupp AG to TKMS Beteiligungsgesellschaft mbH's capital reserves within the meaning of section 272 para. 2 no. 4 HGB will be available to the Group as liquid equity after the Spin-off. In addition, the Existing Shareholder will contribute an amount of around €635 million to the

Company's capital reserves within the meaning of section 272 para. 2 no. 4 HGB and thyssenkrupp AG will contribute an amount of approximately €610 million to TKMS Beteiligungsgesellschaft mbH's capital reserves within the meaning of section 272 para. 2 no. 4 HGB, in each case without any shares being issued. The Company and TKMS Beteiligungsgesellschaft mbH will use these contributions to repay the purchase price liability for the acquisition of the 10.1% shareholding in TKMS GmbH and the shareholding in TCCT and to partially repay the purchase price liability for the acquisition of the 89.9% shareholding in TKMS GmbH (see "3.2.4 Establishment of the Spin-off structure").

- Granting of intragroup loans for the remaining portion of the financing of the purchase price liabilities for the Existing Shareholder's 89.9% shareholding in TKMS GmbH (see "3.2.4 Establishment of the Spin-off structure"). To this end, TKMS GmbH granted loans to the Company and TKMS Beteiligungsgesellschaft mbH. The relevant loan agreements have been concluded following the purchase and transfer agreement for the 89.9% shareholding in TKMS GmbH on July 1, 2025.

The relevant loan amount has been based on the purchase price for the Existing Shareholder's 89.9% shareholding in TKMS GmbH to be paid by the Company or TKMS Beteiligungsgesellschaft mbH, respectively. Such purchase price has initially been determined on a preliminary basis on July 1, 2025. The reason for this is that any profit transfer from TKMS GmbH to the Existing Shareholder or any transfer of losses from TKMS GmbH to the Existing Shareholder for the 2024/2025 fiscal year is intended to be taken into account in the purchase price. Accordingly, the purchase price will only be finally determined after TKMS GmbH's annual financial statements are available and the net income for the 2024/2025 fiscal year to be transferred or the net loss for the 2024/2025 fiscal year to be transferred has been determined. If profits are to be transferred to the Existing Shareholder, the purchase price will be reduced by the corresponding amount; the Company and TKMS Beteiligungsgesellschaft mbH will then have to use such amount immediately to prepay the loan. If TKMS GmbH transfers losses, the purchase price and thus also the amount of the loan granted by TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH will be increased by the corresponding amount.

- Transfer and management of respective industrial property rights, including establishment of a new brand identity, under which the Group is present in the market since June 4, 2025.
- Set-up of a separate IT and application infrastructure at the level of the Company which shall be in place by the time the Spin-off takes effect.
- Establishment and implementation of own governance systems for the Group in order to ensure holistic appropriateness and effectiveness of governance for the Group and to exploit potential synergies between the individual governance systems. In accordance with legal requirements, the governance systems of the Group include, among other things, an internal control system ("ICS"), a risk management system ("RMS"), a compliance management system ("CMS") and an internal audit system. The RMS also includes a risk early recognition system (*Risikofrüherkennungssystem*) in accordance with section 91 para. 2 AktG. In addition, the governance system of the Company also includes a management system to ensure compliance with the legal requirements for sustainability reporting. All governance systems will be based on the systems currently existing in the thyssenkrupp Group.
- Various other areas and units of the Group have been or will be established or increased in terms of personnel.
- Further expansion of the already existing function for accounting at the level of the Group, in particular transferring further tasks, functions and competencies relating to accounting, controlling and risk management to the Group.
- Set up of an independent investor relations department for the Group.

- Further measures to achieve or support the separation of the Group in the areas Finance, Strategy, Legal & Compliance and Communication.

3.3 Spin-off

3.3.1 Overview of the ownership structure prior to implementing the Spin-off

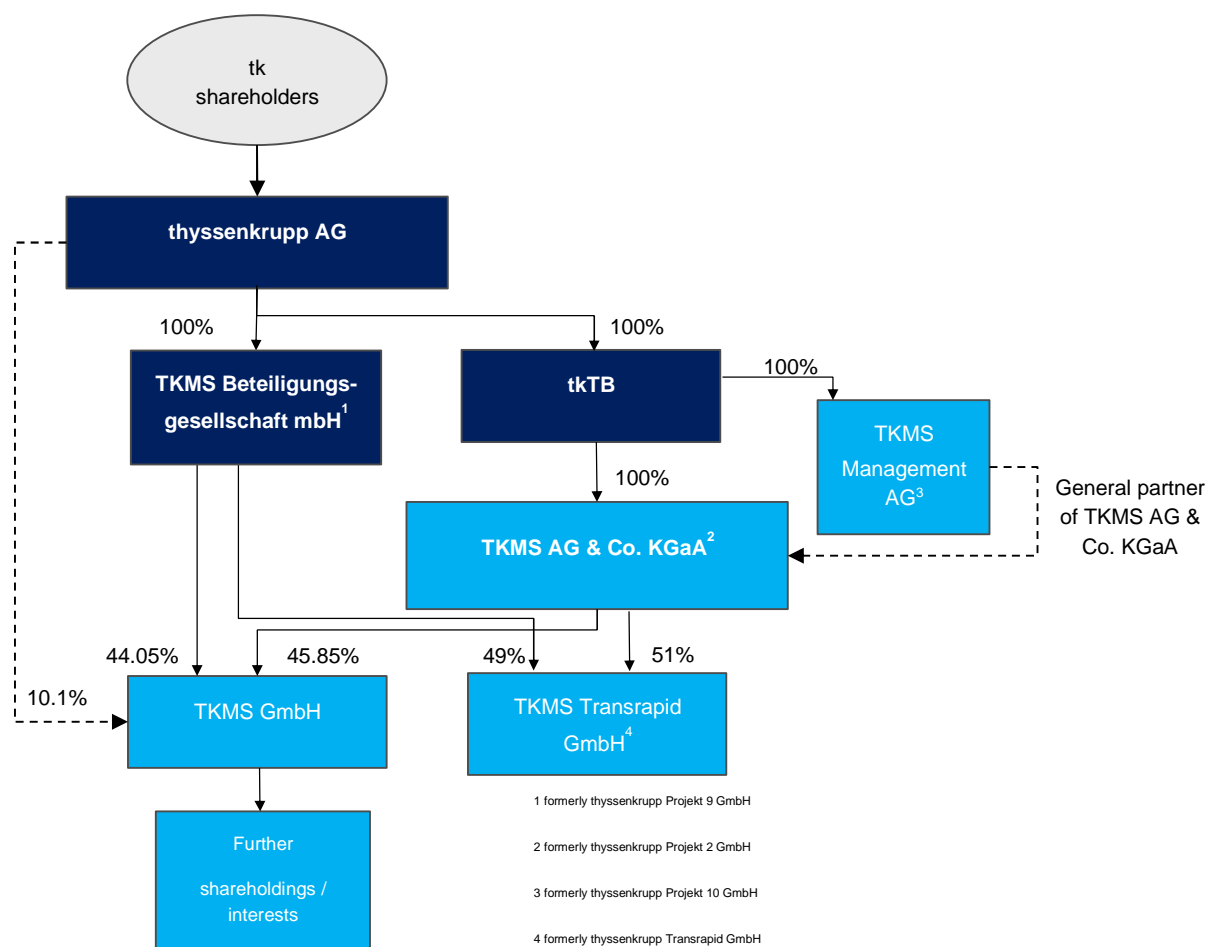
Prior to implementing the Spin-off, the ownership structure is as follows:

thyssenkrupp AG holds all shares in TKMS Beteiligungsgesellschaft mbH and in the Existing Shareholder, which, for its part, holds all shares in the Company.

The Company and TKMS Beteiligungsgesellschaft mbH jointly hold 100% of TCCT and 89.9% of TKMS GmbH, with the Company holding a larger share of 45.85% – corresponding to 51% of 89.9% – and TKMS Beteiligungsgesellschaft mbH holding a smaller share of 44.05% – corresponding to 49% of 89.9% – in TKMS GmbH. The shares held by TKMS Beteiligungsgesellschaft mbH in TKMS GmbH and in TCCT correspond to the thyssenkrupp AG shareholders' pro-rata share of 49% in the Company after the Spin-off.

The remaining 10.1% of the shares in TKMS GmbH will be held by thyssenkrupp AG at the time of the Spin-off and has been (sold and) transferred pro rata to the Company and TKMS Beteiligungsgesellschaft mbH subject to the condition precedent of the Spin-off taking effect. The acquisition will be made in line with the percentage of the shares otherwise held by the two entities in TKMS GmbH, i.e. the Company will acquire 51% and TKMS Beteiligungsgesellschaft mbH will acquire 49% of the 10.1% share in TKMS GmbH. In addition, the sale and transfer of the 10.1% share in TKMS ATLAS ELEKTRONIK GmbH and the 10.1% share in TKMS Wismar GmbH to TKMS GmbH (see “3.2.4 Establishment of the Spin-off structure”) will take effect subject to the condition precedent of the Spin-off taking effect (and of the remaining 10.1% share in TKMS GmbH being transferred to the Company and TKMS Beteiligungsgesellschaft mbH as set out above).

The following chart illustrates the ownership structure in simplified form, immediately prior to the Spin-off:



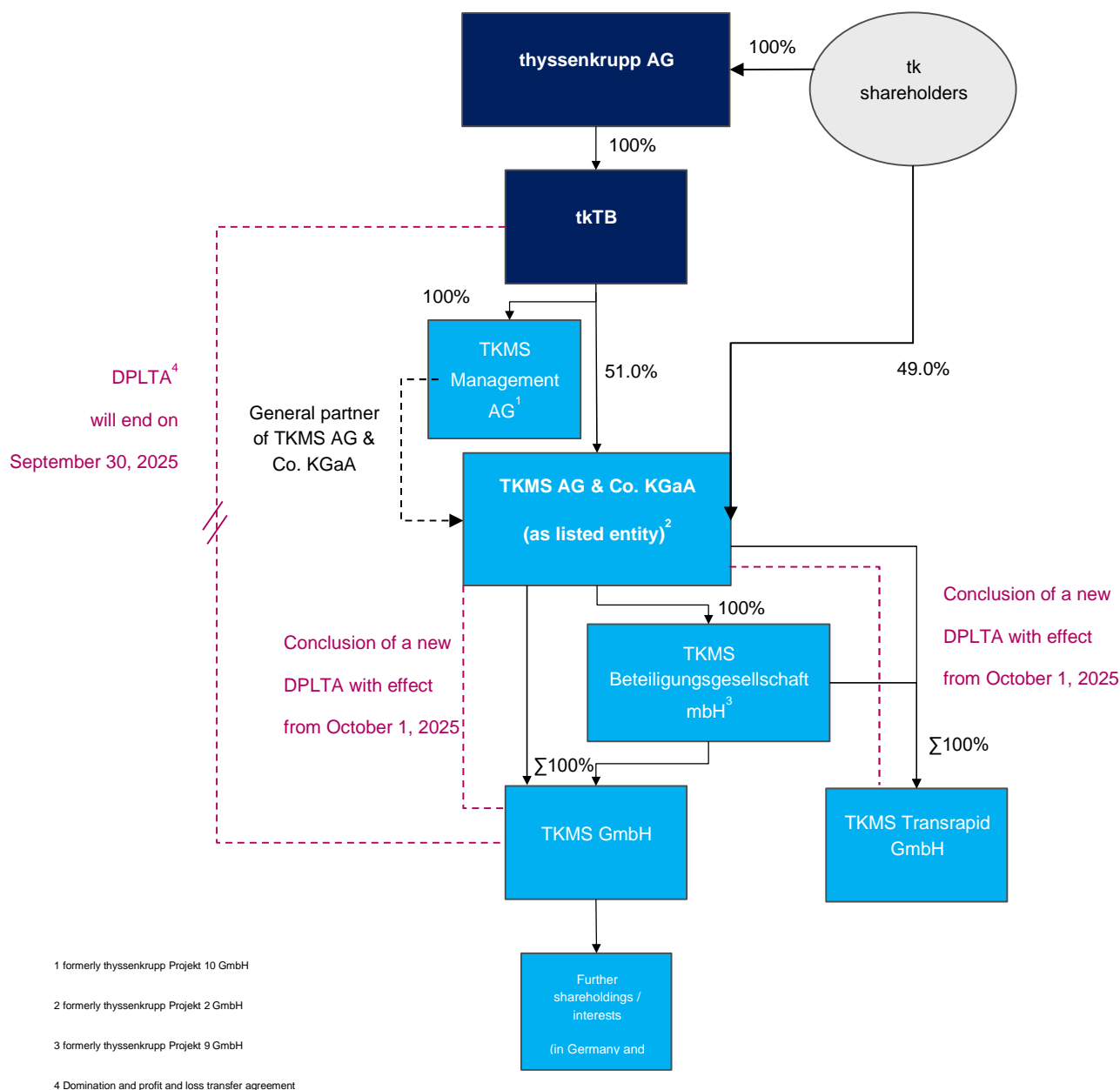
3.3.2 Implementation of the Spin-off

In the course of the Spin-off, thyssenkrupp AG, as the transferring entity, is transferring all shares in TKMS Beteiligungsgesellschaft mbH, to the Company, as the acquiring entity, by way of spin-off by absorption (*Abspaltung zur Aufnahme*) under section 123 (2) no. 1 of the UmwG. At the time the Spin-off takes effect, TKMS Beteiligungsgesellschaft mbH, for its part, holds 49% of the share capital in TCCT in the form of a total of 375,830 shares having a nominal amount of €1.00 each and 44.05% of the share capital in TKMS GmbH in the form of a total of 13,215,300 shares having a nominal amount of €1.00 each. In addition, it is a party to the loan agreement with TKMS GmbH described in more detail in section “3.2.6 Further preparatory measures for the Spin-off” for financing the purchase price for acquiring 44.05% of the share capital in TKMS GmbH.

The transfer of the shares in TKMS Beteiligungsgesellschaft mbH to the Company by way of the Spin-off shall occur with economic effect as of 0:00 a.m. on January 1, 2025. From that date, all acts taken by thyssenkrupp AG in relation to the assets to be spun off shall be deemed to have been performed for the account of the Company.

In return, the Company will increase its share capital of €32,397,060 by €31,126,587 to €63,523,647 by issuing 31,126,587 no-par value bearer shares with a notional proportional amount in the share capital of €1.00 per share. These new shares will be issued to the shareholders of thyssenkrupp AG, in a ratio of 1:20, *i.e.*, one share in the Company for twenty thyssenkrupp AG shares. These shares will be created by the Spin-off Capital Increase.

The following charts illustrates the ownership structure, in simplified form, immediately after the Spin-off taking effect:



For the purpose of the Spin-off, on June 23, 2025, thyssenkrupp AG and the Company entered into the Spin-off and Transfer Agreement in notarized form. The effectiveness of this agreement was subject to the approval by the Company's and thyssenkrupp AG's general meetings. The general meetings of the Company and thyssenkrupp AG each approved the Spin-off and Transfer Agreement on August 8, 2025.

Three shareholders of thyssenkrupp AG filed actions for annulment and rescission with the regional court (*Landgericht*) of Düsseldorf and the regional court (*Landgericht*) of Dortmund, respectively, against the resolution adopted by the extraordinary general meeting of thyssenkrupp AG approving the Spin-off and Transfer Agreement

on August 8, 2025. In response, thyssenkrupp AG applied to the competent higher regional court (*Oberlandesgericht*) of Hamm for a ruling that these shareholder actions do not contravene the registration of the resolution on the Spin-off taken by the extraordinary general meeting of thyssenkrupp AG with the commercial registers of the local courts (*Amtsgerichte*) of Essen and Duisburg (so-called “**Release Proceedings**”). The action of two shareholders before the regional court (*Landgericht*) of Düsseldorf has been withdrawn on October 8, 2025 and thus has no further effect. By an order dated October 9, 2025, the competent higher regional court (*Oberlandesgericht*) of Hamm granted thyssenkrupp AG’s request regarding the remaining shareholder action before the regional court (*Landgericht*) of Dortmund. Following the registrations of the Spin-off with the relevant commercial registers, which is expected to take place until October 17, 2025, the resolution on the Spin-off will become legally binding and enforceable; the remaining shareholder action pending at the regional court (*Landgericht*) of Dortmund, can no longer result in a reversal or annulment of the resolution on the Spin-off of the extraordinary general meeting of thyssenkrupp AG.

3.4 Spin-off Auditor

Pursuant to a resolution of the regional court (*Landgericht*) of Dortmund, Germany, dated March 24, 2025, KPMG, was appointed as the spin-off auditor. The Spin-off and Transfer Agreement dated June 23, 2025 was audited by KPMG, and a spin-off audit report dated June 27, 2025 was issued.

3.5 Contribution in Kind and Post-Formation Audit

The issuance of new shares to the shareholders of thyssenkrupp AG against contribution of the shares in TKMS Beteiligungsgesellschaft mbH to the Company by way of the Spin-off by absorption is associated with a capital increase in kind (*Sachkapitalerhöhung*). In this case, the contribution in kind must be audited. Further, as the Company commenced economic activities less than two years prior to the conclusion of the Spin-off and Transfer Agreement (so-called economic new formation (*wirtschaftliche Neugründung*)), the provisions on subsequent formation pursuant to section 52 of the AktG must be observed accordingly. As such, a post-formation audit has been carried out. In this regard, the Supervisory Board of the Company reviewed the Spin-off and Transfer Agreement and submitted a written post-formation report. The local court (*Amtsgericht*) of Essen, Germany, appointed KPMG as the uniform auditor on post-formation (*Nachgründungsprüfer*) and the contribution in kind related to the Spin-off by resolution dated April 14, 2025. KPMG issued a single audit report, compiling the required audits. On August 8, 2025, the extraordinary general meeting of the Company approved the Spin-off and Transfer Agreement as an agreement on post-formation.

3.6 Trustee, Allotment Ratio, Settlement

Deutsche Bank AG, Frankfurt am Main, Germany was appointed by thyssenkrupp AG as trustee, pursuant to section 125 (1) sentence 1 together with section 71 (1) UmwG. The trustee will receive the shares in the Company allocable to the shareholders of thyssenkrupp AG as a result of the Spin-off for transfer to such shareholders upon Spin-off completion. Deutsche Bank AG was appointed as the central settlement agent for the Spin-off.

The German language version of the notification of allotment (*Zuteilungsbekanntmachung*) set forth below is expected to be published on October 20, 2025 in the German Federal Gazette (*Bundesanzeiger*):

thyssenkrupp AG

Essen / Duisburg

*ISIN Code DE0007500001 // German Securities Identification Number
(Wertpapierkennnummer) 750000*

*Allocation of Shares in TKMS AG & Co. KGaA in Connection with the Spin-off of
all shares in TKMS Beteiligungsgesellschaft mbH*

TKMS AG & Co. KGaA

ISIN Code DE000TKMS001 // German Securities Identification Number
(Wertpapierkennnummer) TKMS00

1. Spin-off of all shares in TKMS Beteiligungsgesellschaft mbH

On June 23, 2025, thyssenkrupp AG as the transferring entity and TKMS AG & Co. KGaA as the acquiring entity entered into a spin-off and transfer agreement (Abspaltungs- und Übernahmevertrag, hereinafter: the “**Spin-off and Transfer Agreement**”) in notarized form. Under the Spin-off and Transfer Agreement thyssenkrupp AG transfers all shares in TKMS Beteiligungsgesellschaft mbH, which, in turn, holds 49% of the share capital in TKMS Transrapid GmbH and 44.05% of the share capital in TKMS GmbH by way of spin-off by absorption (Abspaltung zur Aufnahme) under section 123 (2) no. 1 of the German Transformation Act (Umwandlungsgesetz) to TKMS AG & Co. KGaA, which was organized as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) and operated under the company name “thyssenkrupp Projekt 2 GmbH” when the Spin-off and Transfer Agreement was concluded. As consideration for this transfer, the shareholders of thyssenkrupp AG were to receive one newly issued share of TKMS AG & Co. KGaA for each twenty shares in thyssenkrupp AG, i.e., a total of 31,126,587 new no-par value bearer shares from a corresponding increase of the registered share capital of TKMS AG & Co. KGaA.

The general meetings of thyssenkrupp AG and TKMS AG & Co. KGaA each approved the Spin-off and Transfer Agreement dated June 23, 2025 on August 8, 2025. Following registration of the share capital increase necessary to implement the spin-off and registration of the spin-off in the commercial register of TKMS AG & Co. KGaA at the local court of Essen, Germany, on October 16, 2025, the spin-off has taken effect after its final entry in the commercial registers of thyssenkrupp AG at the local courts of Essen and Duisburg, Germany on October 17, 2025. After the spin-off taking effect, i.e., after its final entry in the commercial registers of thyssenkrupp AG, 49.0 % of the share capital in TKMS AG & Co. KGaA are held by the shareholders of thyssenkrupp AG, while 51.0 % of the share capital of TKMS AG & Co. KGaA remains indirectly held by thyssenkrupp AG via its wholly owned subsidiary, thyssenkrupp Technologies Beteiligungen GmbH.

To implement the spin-off, TKMS AG & Co. KGaA has increased its share capital of €32,397,060 by €31,126,587 to €63,523,647 by issuing 31,126,587 no-par value bearer shares with a notional proportional amount in the share capital of €1.00 per share. These new shares created as a result of the share capital increase will be granted to the shareholders of thyssenkrupp AG. All shares issued by TKMS AG & Co. KGaA are entitled to participate in profits as from the fiscal year of TKMS AG & Co. KGaA beginning on October 1, 2024.

2. Allocation Ratio for the Spin-off

The spin-off is implemented by granting of 31,126,587 new no-par value bearer shares of TKMS AG & Co. KGaA from the capital increase necessary to implement the spin-off to the shareholders of thyssenkrupp AG. Clause 4.1 of the Spin-off and Transfer Agreement provides for an allocation ratio of 20:1. This means that each shareholder of thyssenkrupp AG receives:

- for every 20 no-par value bearer shares of thyssenkrupp AG (ISIN DE0007500001; German Securities Identification Number (WKN) 750000)
- one (1) no-par value bearer share of TKMS AG & Co. KGaA (ISIN DE000TKMS001; WKN TKMS00), representing a notional amount of the share capital of €1.00.

3. Profit Entitlement

All shares issued by TKMS AG & Co. KGaA as consideration for the transfer of the spin-off assets are entitled to participate in profits as from the fiscal year of TKMS AG & Co. KGaA beginning on October 1, 2024.

4. Trustee

Deutsche Bank AG, Frankfurt am Main, Germany, acts as trustee pursuant to section 125 (1) sentence 1 in conjunction with section 71 (1) of the German Transformation Act. Prior to the spin-off taking effect, the trustee has taken possession of the shares in TKMS AG & Co. KGaA to be granted as part of the spin-off to the shareholders of thyssenkrupp AG and will distribute these to such shareholders in due course in accordance with the share allocation ratio of 20:1 as stipulated in Clause 4.1 of the Spin-off and Transfer Agreement.

5. Allocation Procedure

In accordance with the Articles of Association of TKMS AG & Co. KGaA, the shareholders of TKMS AG & Co. KGaA are not entitled to have their shares securitized in physical form. The no-par value shares of TKMS AG & Co. KGaA are evidenced by one or more global share certificates and deposited with Clearstream Europe AG, Eschborn, Germany (hereinafter: “Clearstream”). The shareholders of TKMS AG & Co. KGaA will hold co-ownership interests in the global share certificates in proportion to their respective shareholdings.

(a) Implementation of allocation

The allocation of shares in TKMS AG & Co. KGaA to the eligible shareholders of thyssenkrupp AG are being effected via Clearstream in a ratio of 20:1 and are being carried out by the relevant depositary bank. As a rule, the depositary banks will determine who is a shareholder of thyssenkrupp AG for allocation purposes based on the respective securities account holdings of thyssenkrupp AG shares on the evening of the day on which the spin-off takes effect, i.e. on the evening of October 17, 2025 (“Allocation Date”); any stock exchange transactions entered into but not yet settled at the close of trading will be taken into account for such purpose. There are also individual depositary banks that carry out such allocation based on the securities account holdings as at the Clearstream “record day” (i.e. after the stock exchange transactions carried out on the Allocation Date have been settled, i.e. only after October 20, 2025).

As thyssenkrupp AG’s shares are represented by global certificates deposited with Clearstream, thyssenkrupp AG’s shareholders do not need to take any action in respect of the allocation of the shares in TKMS AG & Co. KGaA (regarding the settlement of fractional shares (Kommanditaktienspitzen), see section c) below). As a rule, except in the case of fractional shares, the respective depositary bank will credit the shares in the TKMS AG & Co. KGaA to the securities account of the respective thyssenkrupp AG shareholder prior to the commencement of trading on the stock exchange trading day following the Allocation Date. At the level of Clearstream, except in the case of fractional shares (see section c) below), the shares in TKMS AG & Co. KGaA allocated are expected to be booked directly to the accounts of the depositary banks by Clearstream on the morning of the stock exchange trading day following the Clearstream “record day” (after the stock exchange transactions carried out on the Allocation Date have been settled) before the commencement of trading.

It cannot be ruled out that the relevant depositary bank may charge individual shareholders of thyssenkrupp AG additional costs associated with the allocation process.

The settlement of the above-described measures is centralized at Deutsche Bank AG, Frankfurt am Main, Germany.

(b) ADR-Holder

In the USA, thyssenkrupp AG’s shares are traded over the counter in the form of American Depositary Receipts (“ADR”). The deposit agreement between thyssenkrupp AG and Deutsche Bank Trust Company Americas as the depositary and the ADR holders stipulates that, for distributions by thyssenkrupp AG not made in cash (excluding subscription rights and additional thyssenkrupp AG shares), in particular if a distribution of securities is not feasible for practical or legal reasons, the depositary, upon request and in consultation with thyssenkrupp AG, will endeavor

to sell such securities or cause such securities to be sold and distribute the net proceeds of such sale to the holders of the ADRs.

No shares in TKMS AG & Co. KGaA will be allocated to holders of ADRs of thyssenkrupp AG. As it is not planned to set up an ADR program for the shares in TKMS AG & Co. KGaA, Deutsche Bank Trust Company Americas as the depositary will endeavor to sell the shares in TKMS AG & Co. KGaA attributable to thyssenkrupp AG's ADRs in accordance with the provisions of the deposit agreement and distribute the proceeds, if any, after deduction of costs and taxes, to the holders of thyssenkrupp AG's ADRs on a pro-rata basis.

(c) Fractional shares and regulation regarding fractional shares

As thyssenkrupp AG's shareholders will be allocated one (1) share in TKMS AG & Co. KGaA per 20 shares in thyssenkrupp AG, there will be fractional shares (fractional entitlements) in cases where securities account holdings of thyssenkrupp AG shares are not evenly divisible by 20. In such cases, the affected shareholders of thyssenkrupp AG will then initially receive a fractional share in TKMS AG & Co. KGaA. As these fractional shares generally do not carry any shareholder rights (see section 278 para. 3 AktG in conjunction with section 213 para. 2 AktG), such fractional shares will be aggregated by the respective depositary banks or, as the case may be, at the level of Clearstream by Deutsche Bank AG as the central settlement agent in accordance with the European standards for corporate actions processing without involving the holders and settled in cash. The amount of the cash payment will be determined based on the shareholder's share in the net proceeds of the sale of the shares in TKMS AG & Co. KGaA aggregated from fractional shares at the level of the respective depositary bank. The net proceeds will be distributed to the holders of fractional shares, with each holder receiving a share of the proceeds that is proportionate to the share of fractional shares which such holder would have been entitled to receive otherwise. As the price of the shares in the TKMS AG & Co. KGaA may fluctuate, the cash proceeds that the shareholders of TKMS AG & Co. KGaA will receive for their fractional shares may vary depending on the time at which the respective depositary bank sells the fractional shares.

For those eligible persons who hold their thyssenkrupp AG shares in securities accounts in Germany, the sale of fractional shares will be free of any commissions or expenses. Shareholders who hold their thyssenkrupp AG shares in securities accounts abroad may incur commissions or expenses based on the existing agreements with the depositary institution.

6. Stock Exchange Admission and Stock Market Trading

The English language listing prospectus of TKMS AG & Co. KGaA for the admission to stock exchange trading was approved by the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) on October 13, 2025. The prospectus relating to the total of 63,523,647 no-par value bearer shares of TKMS AG & Co. KGaA is available online at <https://ir.tkmsgroup.com/>.

All shares in TKMS AG & Co. KGaA have been admitted to trading on the regulated market of the Frankfurt Stock Exchange and in the sub-segment thereof with additional post-admission obligations (Prime Standard) on the date on which the spin-off took effect by way of the later of the two registrations in thyssenkrupp AG's commercial registers at the local courts of Duisburg and Essen, Germany, i.e. on October 17, 2025.

Exchange trading in the shares in TKMS AG & Co. KGaA has commenced on the morning of October 20, 2025. The listing of thyssenkrupp AG's shares "ex spin-off" happened on the same day. On the day the spin-off took effect, trading in shares of TKMS AG & Co. KGaA was not yet possible and thyssenkrupp AG's shares were still traded "cum TKMS AG & Co. KGaA".

Essen, October 2025

thyssenkrupp AG

The Board of Management

3.7 Admission to Trading

3.7.1 Admission to Trading on the Frankfurt Stock Exchange and Commencement of Trading

The Company and Deutsche Bank will ask for admission of the Shares to trading on the regulated market segment (*Regulierter Markt*) of the Frankfurt Stock Exchange with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard).

The Admission to Trading for the Shares is expected to be granted on October 17, 2025. The decision on the admission of the Shares to trading will be made solely by the Frankfurt Stock Exchange at its discretion. Trading in the Shares on the Frankfurt Stock Exchange is expected to commence on October 20, 2025.

3.7.2 Publication and Availability of the Prospectus

Following the approval of this Prospectus by BaFin, the Prospectus will be published on the Company's website at <https://ir.tkmsgroup.com/>.

3.7.3 Information on the Shares

3.7.3.1 Voting rights

Each Share in the Company carries one vote at the Company's general meeting. All of the Shares confer the same voting rights. There are no restrictions on voting rights.

3.7.3.2 Dividend and liquidation rights

The Shares carry full dividend rights as of October 1, 2024. In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Shares in proportion to their interest in the Company's share capital. Shareholders who hold the Shares on the day of the respective general meeting's resolution on the allocation of the distributable profits are entitled to dividend payments.

3.7.3.3 Form, certification of the Shares and currency of the securities issue

As of the date of this Prospectus, all of the Shares are ordinary bearer shares with no par value (*auf den Inhaber lautende Stammaktien ohne Nennbetrag*). The Shares will be represented by one or more global share certificates (the "**Global Share Certificates**"), which will be deposited with Clearstream Europe AG ("**Clearstream**"). There will be no separate global dividend coupon (*Globalgewinnanteilschein*) or renewal coupon (*Erneuerungsschein*).

In connection with the Spin-off, the shareholders of thyssenkrupp AG will receive Shares in the Company equivalent to the percentage of shares they own in thyssenkrupp AG at the time of the Spin-off Effective Date. In relation to U.S. shareholders of the Existing Shareholders, special circumstances apply as they hold their shares not via a securities account connected to Clearstream but via Depository Trust Company (DTC) or American Stock Transfer (AST). U.S. shareholders are offered a cash settlement option.

Section 6 para. 2 sentence 1 of the Articles of Association excludes the shareholders' right to receive individual share certificates to the extent permitted by law, unless mandated by the rules of a stock exchange to which the shares are admitted. The Company is authorized to issue individual share certificates or global certificates pursuant to section 6 para. 2 sentence 2 of the Articles of Association. All Shares of the Company provide holders thereof with the same rights and no Shares provide any additional rights or advantages.

The Shares are denominated in EUR.

3.7.3.4 ISIN/WKN/Ticker Symbol

International Securities Identification Number (ISIN)	DE000TKM S001
German Securities Code (Wertpapierkennnummer) (WKN)	TKMS00
Ticker Symbol	TKMS

3.7.4 Identification of Target Market

Solely for the purpose of the product governance requirements contained within: (a) EU Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “**manufacturer**” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process by the Banks, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling or transfer restrictions in relation to any subsequent offering or resale of Shares and does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

In relation to any subsequent offering, transfer or resale of the Shares, legal restrictions may apply in certain jurisdictions. Potential investors or distributors should make their own assessment on the suitability, appropriateness and lawfulness of any such offering, transfer or resale and as to their own investment decision and, if appropriate, seek professional advice for the relevant jurisdiction or jurisdictions. In particular, it may be unlawful in certain jurisdictions to make Shares available to others, including through a resale, allotment, delivery or transfer, without a registration or the publication of a disclosure document approved or otherwise endorsed by the competent authority in such jurisdictions unless an exemption or waiver applies.

3.7.5 Transferability of Shares

The Shares are freely transferable in accordance with the legal requirements for bearer shares (*Inhaberaktien*). The Articles of Association of the Company do not require that the Company grants its consent to a transfer of the Shares.

For a description of the lock-up under a listing agreement entered into on October 13, 2025, by the Company, thyssenkrupp AG and the Banks (the “**Listing Agreement**”) see “3.7.6 Lock-Up, Limitations on Disposal”.

3.7.6 Lock-Up, Limitations on Disposal

In the Listing Agreement, the Company and thyssenkrupp AG agreed with the Banks that without the prior written consent of the Listing Agents, which consent may not be unreasonably withheld, (A) the Company, to the extent

legally permissible, will not, and will not agree to, during the period commencing on the date of the Listing Agreement and ending six months after the first day of trading of the Shares on the Frankfurt Stock Exchange:

- announce or effect an increase of the Company's share capital from authorized or contingent capital, if any; or
- propose to its shareholders' meeting an increase of the Company's share capital; or
- announce, effect or propose the issuance of securities with conversion or option rights on the Company's shares; or
- offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital; or
- enter into a transaction or perform any action economically similar to those described above.

The Company may, however, issue or sell shares or other securities (i) to employees and members of corporate bodies (*Organe*) of the Company or its subsidiaries under current or future employee or management participation plans or (ii) in consideration of all or a portion of the acquisition price of any business acquired by the Company or for the purposes of entering into a joint venture, provided that in the case of (ii) the recipient of such shares or other securities assumes towards the Listing Agents the obligation of the Company described above for the then remaining part of the lock-up period of the Company;

and (B) thyssenkrupp AG, to the extent legally permissible, will not, and will not agree to, during the period commencing on the date of the Listing Agreement and ending twelve months after the first day of trading of the Shares on the Frankfurt Stock Exchange:

- offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into Shares), any Shares; or
- cause or approve, directly or indirectly, the announcement, execution or implementation of any increase in the share capital of the Company or a direct or indirect placement of Shares; or
- propose, directly or indirectly, any increase in the share capital of the Company to any meeting of the shareholders for resolution, or vote in favor of such a proposed increase; or
- cause or approve, directly or indirectly, the announcement, execution or proposal of any issuance of financial instruments provided with options and warrants convertible into Shares; or
- enter into a transaction or perform any action economically similar to those described above, in particular enter into any swap or other agreement that transfers to another, in whole or in part, the economic risk of ownership of Shares, whether any such transaction is to be settled by delivery of Shares, in cash or otherwise.

The foregoing lock-up restrictions for thyssenkrupp AG will not restrict the (i) tender, sale and transfer of Shares in a takeover bid for Shares pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), (ii) the over-the-counter (*außerbörsliche*) transfer of Shares by thyssenkrupp AG to any third parties, the "**Authorized Recipients**", and (iii) any allotments or distributions

of Shares to Authorized Recipients, provided that in each case mentioned in (ii) and (iii) the Authorized Recipient shall assume towards the Listing Agents the obligation to comply with the restrictions applicable to thyssenkrupp AG described above for the then remaining part of the lock-up period.

3.7.7 Designated Sponsor

ODDO BHF SE, has been mandated as designated sponsor of the Shares traded on the Frankfurt Stock Exchange. Pursuant to the designated sponsor agreement which has been concluded between the designated sponsor and the Company, the designated sponsor will, among other things, place limited buy and sell orders for the Shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours. This is intended to achieve greater liquidity in the market for the Shares.

3.7.8 Interests of Parties Participating in the Admission to Trading

In connection with the Admission to Trading, the Banks have formed a contractual relationship with the Company and the Existing Shareholder.

The Banks, their affiliates or persons acting on their behalf are acting exclusively for the Company and the Existing Shareholder and no one else in connection with the Admission to Trading and on coordinating the structuring and execution of the Admission to Trading. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Admission to Trading and will not be responsible to anyone other than the Company and the Existing Shareholder for providing the protections afforded to their respective clients, nor for giving advice in relation to the Admission to Trading or any transaction or arrangement referred to herein. The Banks will receive a fee from thyssenkrupp AG in connection with the completion of the Admission to Trading. In addition, ODDO BHF SE has been mandated to act as designated sponsor for the Shares. COMMERZBANK has been mandated as paying agent. As a result of these contractual relationships, the Company therefore assumes that the Banks, their affiliates or persons acting on their behalf, have an interest in the successful completion of the transaction.

Deutsche Bank, Citigroup, COMMERZBANK, BBVA, Crédit Agricole CIB, Société Générale or their affiliates entered into guarantee agreements with the Company and its affiliates. Furthermore, the Banks, their affiliates or persons acting on their behalf may have, and may from time to time in the future continue to have, business relations with the Company and thyssenkrupp AG and their respective affiliates, including lending activities, and have performed or may perform services for the Company and the thyssenkrupp AG and their respective affiliates in the ordinary course of business for which they have received or may receive customary fees and commissions. In addition, certain of the Banks, their affiliates or persons acting on their behalf may enter into financing arrangements (including swaps) with investors in connection with which such Banks (or their affiliates) may from time to time acquire, hold or dispose of Shares of the Company. None of the Banks intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

thyssenkrupp AG has an interest in the Spin-off as it serves to dispose of 49.0% of its shareholding in the Company. For further details regarding the expectations of thyssenkrupp AG and the Company as to the effects of the Spin-off, see “4.1 *Reasons for the Spin-off and Admission to Trading*”.

None of the aforementioned interests in the Admission to Trading constitute a material conflict of interest or a potential conflict of interest. Consequently, there are no material conflicts of interest with respect to the Admission to Trading.

4 Reasons for the Spin-off and Admission to Trading and Costs of the Admission to Trading

4.1 Reasons for the Spin-off and Admission to Trading

thyssenkrupp AG has decided to implement the Spin-off and thereby give the Company the entrepreneurial flexibility it needs in order to adapt its strategy and business model to changing market conditions in an independent and agile manner. The Spin-off is intended to enable the Company to implement its own strategy under better framework conditions, including a more focused profile to react to the changes in the market environment. In addition, direct access to the capital market opens up additional sources of financing. The Company intends to ask for admission of the Shares to trading on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange, as well as on the sub-segment with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange to gain access to the capital markets.

4.2 No proceeds; Costs of the Admission to Trading

Neither the Company nor the Existing Shareholder will receive proceeds in connection with the Admission to Trading.

All costs in connection with the Spin-off and the Admission to Trading, which will amount to approximately €75 million, are assumed by thyssenkrupp AG.

5 Dividend Policy

5.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of the Company's profit is determined based on their respective interests in the Company's share capital. The participation of any new shares issued in the profit may be determined in a different manner.

The amounts and distribution of dividends on shares are generally determined by a process in which the General Partner of the Company – after the audit by the Supervisory Board – submits a proposal to the shareholders participating in the Company's share capital (*Grundkapital*) who are excluded from the management of the Company and are not personally liable for the Company's debts (*Kommanditaktionäre*) for the distribution of dividends. Dividends for a given fiscal year are determined by a resolution of the aforementioned shareholders (*Kommanditaktionäre*) following the approval of the annual unconsolidated financial statements in the annual general shareholders' meeting held within the first eight months of the subsequent fiscal year. Due to its majority interest as of the date of this Prospectus, thyssenkrupp AG is currently in a position to control the Company's dividend policy.

Under German law, dividends can only be resolved upon and paid if the annual unconsolidated financial statements of the Company, which are prepared in accordance with the HGB show distributable profits (*Bilanzgewinn*). The unconsolidated financial statements of the Company are approved by the general shareholders' meeting with the consent of the General Partner of the Company. The accounting regulations under the HGB differ from IFRS in material respects. When determining the distributable profit, net income or loss for the fiscal year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profit/loss carried forward (*Gewinn-/Verlustvorträge*) from the prior fiscal year and releases of or allocation to reserves. Certain reserves are required to be set up by law and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profits. Subject to certain statutory restrictions, the general shareholders' meeting is entitled to transfer additional amounts to the reserves or carry them forward.

Dividends resolved by the general shareholders' meeting are due and payable on the third business day after the resolution of the relevant general shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Clearstream will transfer the dividends to the shareholders' custodian banks for crediting to their accounts and German custodian banks are under an obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank about the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the general shareholders' meeting. To the extent dividends can be distributed by the Company in accordance with the HGB and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends.

Any claims for dividends not asserted within three years become time-barred (*verjährt*). If dividend payment claims expire, the Company becomes the beneficiary of the dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from the dividends paid. For more information on the taxation of dividends, see “18 Taxation in the Federal Republic of Germany.”

5.2 Dividend Policy

Subject to the availability of distributable profit (*Bilanzgewinn*), legal restrictions with respect to the distribution of profits and available funds, and subject to prevailing market conditions and economic situation at the time of the distribution, the Company intends to pay an annual dividend of approximately 30-50% of the Group's consolidated net income attributable to the shareholders of the Company according to HGB, provided that the payment of such annual dividend is covered by the Company's free cash flow, for the first time for the fiscal year ending September 30, 2026 (non-cumulative, the Company will not pay any dividends for the fiscal year ending September 30, 2025).

Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, the Company's results of operations, financial condition, contractual restrictions and capital

requirements. Any proposal of the General Partner of the Company to pay dividends is subject to the approval of the general shareholders' meeting. The Company depends to some extent on the transfer of distributable profits from its operating subsidiaries. The Company's future ability to pay dividends may be limited by the terms of any future financing arrangements. The Company can make no predictions as to the size of any future profits available for distribution, and hence the Company cannot guarantee that dividends will be paid in the future, see also "1.7.5 *We may not be able to pay dividends in the foreseeable future or ever.*"

6 Capitalization, Indebtedness and Statement on Working Capital

The following tables set forth (i) the Group's actual capitalization and indebtedness as of July 31, 2025 and (ii) adjustments for the termination of the cash pool with thyssenkrupp Group (see "7.7.4 Cash Pooling and Cash Management"), (iii) adjustments for the effects of selected outstanding legal reorganization steps and (iv) the adjusted total resulting from these adjustments. The figures in the tables have been derived from the Company's accounting records or internal reporting systems.

Investors should read these tables in conjunction with "7 Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the Audited Combined Financial Statements, the Unaudited Condensed Combined Interim Financial Statements and the Audited Unconsolidated Financial Statements, in each case, including the notes thereto, contained in this Prospectus.

6.1 Capitalization

	As of July 31, 2025	Adjustments for the termination of the cash pool with thyssenkrupp Group ⁽⁶⁾	Adjustments for the effects of selected outstanding legal reorganization steps ⁽⁷⁾	Total ⁽⁸⁾
		(in € million)		
		(unaudited)		
Total current debt (including current portion of non-current debt)⁽¹⁾	3,615.2	(261.2)	-	3,354.1
of which guaranteed	1,557.9	-	-	1,557.9
of which secured.....	-	-	-	-
of which unguaranteed/unsecured	2,057.3	(261.2)	-	1,796.1
Total non-current debt (excluding current portion of non-current debt)⁽²⁾	650.5	-	-	650.5
of which guaranteed	-	-	-	-
of which secured.....	-	-	-	-
of which unguaranteed/unsecured	650.5	-	-	650.5
Total shareholder equity⁽³⁾	1,054.0	-	(108.4)	945.6
of which share capital ⁽⁴⁾	-	-	-	-
of which legal reserves ⁽⁴⁾	-	-	-	-
of which other reserves ⁽⁴⁾	-	-	-	-
Total⁽⁵⁾	5,319.7	(261.2)	(108.4)	4,950.2

Notes:

- (1) 'Total current debt' is referred to as 'Total current liabilities' as reported in our Unaudited Condensed Combined Interim Financial Statements.
- (2) 'Total non-current debt' is referred to as 'Total non-current liabilities' as reported in our Unaudited Condensed Combined Interim Financial Statements.
- (3) 'Total shareholder's equity' is calculated as the sum of 'Share capital', 'Legal reserve', and 'Other reserves'.
- (4) Prior to the completion of the remaining legal reorganization, the Group was not a legal group for consolidated financial statements reporting purposes in accordance with "IFRS 10—Consolidated Financial Statements" in the periods presented. Its equity was

presented on the basis of the aggregation of the net assets of the Group under the control of thyssenkrupp AG and centrally managed by the management board of thyssenkrupp AG. Consequently, the combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements for the Group do not separately disclose share capital, legal reserves and other reserves.

- (5) 'Total' is calculated as the sum of 'Total current debt', 'Total non-current debt' and 'Shareholders' Equity'.
- (6) The adjustments reflect the assumed termination of the cash pool with the thyssenkrupp Group as of July 31, 2025. The actual termination with thyssenkrupp Group resulted in an effective cash payment of €102.8 million to the Group. This effective amount takes into account the initial cash payment received on September 25, 2025 – the actual termination date of the cash pool – with a total of €278.7 million, of which €175.9 million is restricted for payments to the thyssenkrupp Group in connection with the acquisition of a 10.1% shareholding in TKMS GmbH as of the Spin-off Effective Date.
- (7) Represents the effects of (i) net cash purchase price payments of €122.0 million relating to the acquisition of the 10.1% share of TKMS ATLAS Elektronik GmbH and (ii) net cash proceeds of €13.6 million relating to the acquisition of the 10.1% share of TKMS Wismar GmbH. Other effects resulting from the legal reorganization are not considered in the “adjustments for the effects of selected outstanding legal reorganization steps”. Legal reorganization steps concluded as of July 31, 2025 and related cash payments made in this regard are reflected in “total shareholder equity” and “other current financial assets” of the combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements. In this context it should be noted that the purchase prices with respect to the acquisition of TKMS GmbH and respective cash payments made were determined by reference to a preliminary purchase price determined as of July 1, 2025. The reason for this is that any profit transfer from TKMS GmbH to the TKMS Beteiligungsgesellschaft mbH or any transfer of losses from TKMS GmbH to the TKMS Beteiligungsgesellschaft mbH for the 2024/2025 fiscal year is intended to be taken into account in the purchase price. Accordingly, the purchase price will only be finally determined after TKMS GmbH’s annual financial statements are available and the net income for the 2024/2025 fiscal year to be transferred or the net loss for the 2024/2025 fiscal year to be transferred has been determined. If profits are to be transferred to the TKMS Beteiligungsgesellschaft mbH, the purchase price will be reduced by the corresponding amount. If TKMS GmbH transfers losses, the purchase price and thus also the amount of the loan granted by TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH will be increased by the corresponding amount. The adjustments will have an effect on shareholder equity and cash and have not been taken into account in the adjustments for the effects selected outstanding legal reorganization steps.
- (8) Total reflects the sum of the effects of the adjustments on the line items as of July 31, 2025.

6.2 Indebtedness

	As of July 31, 2025	Adjustments for the termination of cash pool with thyssenkrupp Group ⁽⁸⁾	Adjustments for the effects of selected outstanding legal reorganization steps ⁽⁹⁾	Total ⁽¹⁰⁾
		<i>(in € million)</i>		
		<i>(unaudited)</i>		
A. Cash ⁽¹⁾	1,013.2	235.1	(108.4)	1,139.9
B. Cash equivalents ⁽¹⁾	-	-	-	-
C. Other current financial assets ⁽²⁾	496.3	(496.3)	-	-
D. Liquidity (A+B+C)	1,509.5	(261.2)	(108.4)	1,139.9
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt) ⁽³⁾	261.2	(261.2)	-	-
F. Current portion of non-current financial debt ⁽⁴⁾	6.5	-	-	6.5
G. Current financial indebtedness (E+F)...	267.7	(261.2)	-	6.5

H. Net current financial indebtedness				
(G-D)	(1,241.8)	-	108.4	(1,133.4)
I. Non-current financial debt (excluding current portion and debt instruments) ⁽⁵⁾	25.0	-	-	25.0
J. Debt instruments ⁽⁶⁾	-	-	-	-
K. Non-current trade and other payables ⁽⁷⁾	-	-	-	-
L. Non-current financial indebtedness				
(I+J+K)	25.0	-	-	25.0
M. Total financial indebtedness (H+L)	(1,216.8)	-	108.4	(1,108.4)

Notes:

- (1) 'Cash' is referred to as 'cash and cash equivalents as presented in the Group's combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements.
- (2) 'Other current financial assets' is referred to as 'Other financial assets' in the Group's combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements, however, includes receivables from cash pooling arrangements with the thyssenkrupp Group and excludes derivative instruments and miscellaneous other financial assets.
- (3) 'Current financial debt' is referred to as 'other financial liabilities current' in the Group's combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements and includes payables from cash pooling arrangements with the thyssenkrupp Group.
- (4) 'Current portion of non-current financial debt' is referred to as 'lease liabilities, current' in the Group's combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements.
- (5) 'Non-current financial debt' is referred to as 'lease liabilities, non-current' in the Group's combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements.
- (6) As of July 31, 2025 the Group did not have 'Debt instruments'.
- (7) As of July 31, 2025 the Group did not have 'Non-current trade and other payables'.
- (8) The adjustments reflect the assumed termination of the cash pool with the thyssenkrupp Group as of July 31, 2025. The actual termination with thyssenkrupp Group resulted in an effective cash payment of €102.8 million to the Group. This effective amount takes into account the initial cash payment received on September 25, 2025 – the actual termination date of the cash pool – with a total of €278.7 million, of which €175.9 million is restricted for payments to the thyssenkrupp Group in connection with the acquisition of a 10.1% shareholding in TKMS GmbH as of the Spin-off Effective Date.
- (9) Represents the effects of (i) net cash purchase price payments of €122.0 million relating to the acquisition of the 10.1% share of TKMS ATLAS Elektronik GmbH and (ii) net cash proceeds of €13.6 million relating to the acquisition of the 10.1% share of TKMS Wismar GmbH. Other effects arising from the legal reorganization are not considered in the "adjustments for the effects of selected outstanding legal reorganization steps". Legal reorganization steps completed as of July 31, 2025 and related cash payments made in this regard are reflected in "total shareholder equity" and "other current financial assets" of the combined statements of financial position as reported in our Unaudited Condensed Combined Interim Financial Statements. In this context it should be noted that the purchase prices with respect to the acquisition of TKMS GmbH and respective cash payments made were determined by reference to a preliminary purchase price determined as of July 1, 2025. The reason for this is that any profit transfer from TKMS GmbH to the TKMS Beteiligungsgesellschaft mbH or any transfer of losses from TKMS GmbH to the TKMS Beteiligungsgesellschaft mbH for the 2024/2025 fiscal year is intended to be taken into account in the purchase price. Accordingly, the purchase price will only be finally determined after TKMS GmbH's annual financial statements are available and the net income for the 2024/2025 fiscal year to be transferred or the net loss for the 2024/2025 fiscal year to be transferred has been determined. If profits are to be transferred to the TKMS Beteiligungsgesellschaft mbH, the purchase price will be reduced by the corresponding amount. If TKMS GmbH transfers losses, the purchase price and thus also the amount of the loan granted by TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH will be increased by the corresponding amount. The adjustments will have an effect on 'total shareholder equity' and 'cash' and have not been taken into account in the 'adjustments for the effects of selected outstanding legal reorganization steps'.
- (10) Total reflects the sum of the effects of the adjustments on the line items as of July 31, 2025.

6.3 Lease Liabilities

As of July 31, 2025, current financial debt includes current lease liabilities amounting to €6.5 million and non-current financial debt includes non-current lease liabilities amounting to €25.0 million.

6.4 Indirect and Contingent Indebtedness

Contingent indebtedness primarily relates to contingent liabilities from legal proceedings. As of July 31, 2025, there have been no material changes compared to the contingent liabilities disclosed in Note 19 to the Audited Combined Financial Statements, as updated in Note 4 to the Unaudited Condensed Combined Interim Financial Statements for the nine months ended June 30, 2025.

The Group did not have any other commitments and contingencies as of July 31, 2025.

6.5 Statement on Working Capital

In the Company's opinion, the working capital of the Group is sufficient to meet the Group's present requirements over at least the next 12 months from the date of this Prospectus.

7 Management's Discussion and Analysis of Financial Condition and Results of Operations

Investors should read the following management's discussion and analysis of financial condition and results of operations in this section in conjunction with the sections "2.4 Forward-Looking Statements", "2.5 Presentation of Financial Information", "6 Capitalization, Indebtedness and Statement on Working Capital" and "10 Business" as well as the Group's Unaudited Condensed Combined Interim Financial Statements, Audited Combined Financial Statements and the Company's Audited Unconsolidated Financial Statements, which are included in the Prospectus beginning on page F-1. The financial information contained in the following text and tables is taken or derived from the Group's Unaudited Condensed Combined Interim Financial Statements, Audited Combined Financial Statements, the Company's Audited Unconsolidated Financial Statements and the Group's accounting records or internal reporting systems. The Group's Audited Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards and the interpretations of the IFRS Interpretations Committee as adopted by the European Union ("IFRS"). The Group's Unaudited Condensed Combined Interim Financial Statements have been prepared in accordance with IFRS as applicable for interim financial reporting (IAS 34). The Company's Audited Unconsolidated Financial Statements have been prepared in accordance with German generally accepted accounting principles of the HGB.

For the preparation of the Group's Audited Combined Financial Statements, the predecessor accounting approach has been applied (i.e., the Audited Combined Financial Statements are considered to be an extract from the consolidated financial statements of the former parent company thyssenkrupp AG (referred to as "Extraction Method") and reflect the activities attributable to the Group as they have been historically included in the IFRS consolidated financial statements of the thyssenkrupp Group. Hence, the Group is presented using the carrying amounts and historical costs that are also included in the IFRS consolidated financial statements of thyssenkrupp Group.) In general, the same accounting policies are applied by the entities in the scope of combination as they were used for the preparation of the IFRS consolidated financial statements of the thyssenkrupp Group. However, adjustments were made to the extent necessary to present the Group as a separate, stand-alone reporting entity, particularly with no intercompany elimination made between the Group and the remaining entities of the thyssenkrupp Group.

The Group applies IFRS 8 Segment Reporting and reported financial data for the three operating segments "Submarines", "Surface Vessels" and "Atlas Electronics" (all as defined below) for the nine months ended June 30, 2025 and 2024 and fiscal years ended September 30, 2022, 2023, and 2024. For financial reporting purposes our other business activities, including NXTGEN Engineering and TCCT, are combined and presented in "All Other Segments" (as defined below) for the nine months ended June 30, 2025 and 2024 and fiscal years ended September 30, 2022, 2023, and 2024. The segment data for the nine months ended June 30, 2025 and 2024 is taken from the Group's Unaudited Condensed Combined Interim Financial Statements. The segment data for the fiscal years ended September 30, 2024, 2023 and 2022 has been derived from the Group's Audited Combined Financial Statements.

Where financial information in the tables is labeled "audited", this means that such financial information has been taken from the Audited Combined Financial Statements or Audited Unconsolidated Financial Statements. The label "unaudited" is used in this Prospectus to indicate financial information that has not been taken from the Audited Combined Financial Statements or Audited Unconsolidated Financial Statements, but which has been taken or derived from the Unaudited Condensed Combined Interim Financial Statements or the Groups' accounting records or internal reporting systems or has been calculated based on financial information from the above-mentioned sources.

7.1 Overview

We are one of the world's leaders in the naval defense sector (*source: Company information*), with more than 9,100 employees (including temporary agency workers) across three shipyards in Kiel and Wismar, Germany and Itajaí, Brazil, major corporate offices, including engineering centers and R&D facilities in Bremen, Hamburg and Emden, Germany and major domestic and international subsidiaries including in Flintbek, Germany and Dorset, United Kingdom, as well as further offices and operating sites worldwide. As the only supplier of conventional (non-nuclear) submarines in Germany, a major supplier of naval surface vessels and, through our wholly owned subsidiary TKMS ATLAS ELEKTRONIK GmbH ("**Atlas Electronics**"), a key European player in end-to-end naval warfare capabilities (*source: Company information*), we believe we are well placed to offer the full range of naval shipbuilding services from design, development systems integration and production of naval platforms and vehicles through to the engineering and integration of command & control and weapons deployment systems.

We are a key supplier and outfitter of naval platforms and equipment, including lifecycle maintenance, overhaul and upgrade services, within our attainable market. We define our attainable market as all countries with relevant naval activity that are not subject to an arms embargo by the EU, the UN or the US and offer a realistic potential (this excludes markets with national champions in the respective segment and categories not relevant to us, e.g., aircraft carriers or nuclear submarines). In particular, we are a key supplier and outfitter of the German Navy (*Deutsche Marine*) and the navies of other NATO member states, such as Norway and Italy, as well as numerous NATO global partners and major non-NATO allies, such as Australia, Brazil, Israel and the South Korea. In total, we are a supplier to the navies of more than 50 countries worldwide, including Singapore and India. In addition, we develop and market certain of our products to commercial customers through our NXTGEN Engineering business ("**NXTGEN Engineering**") and, through the standalone entity TKMS Transrapid GmbH ("**TCCT**"), we seek to expand our AI activities. In total, we have supplied more than 325 vessels since 1960, which have accumulated more than 10,000 total years of operation (estimated cumulative years of operation of all vessels sold for both our Submarines and Surface Vessels segments; *source: Company information*).

Long-term contracts, together with recurring sales streams from the aftermarket services for our products, provide us with a high degree of sales visibility. For the fiscal year ended September 30, 2024, we generated sales of €1,986.6 million and a gross margin of €313.1 million. As at June 30, 2025, our total Order Backlog amounted to €18,558.8 million.

We operate our business primarily through three operating segments: Submarines ("**Submarines**"), Surface Vessels ("**Surface Vessels**") and Atlas Electronics, each with respective services businesses. For the fiscal year ended September 30, 2024, we generated sales of €975.7 million in our Submarines segment, €570.8 million in our Surface Vessels segment and €589.8 million in our Atlas Electronics segment. For financial reporting purposes our other business activities, including NXTGEN Engineering and TCCT, are combined into a single segment ("**All Other Segments**").

7.2 Key Factors Affecting Our Results of Operations

7.2.1 Macroeconomic and Geopolitical Conditions

As a global provider of naval defense systems, we are exposed to a complex and rapidly evolving international landscape marked by heightened geopolitical tensions and notable macroeconomic volatility. Demand for our products and services is significantly influenced by these conditions, which can directly affect our sales, including timing and recognition, costs and profitability. These conditions can also directly affect our tender and investment activity and our exposure to long-term project risks.

Heightened geopolitical tensions and evolving dynamics have fundamentally shifted defense priorities across Europe and in a number of countries globally, driving an increase in defense spending by NATO member states. During the NATO Summit in The Hague, Netherlands in June 2025, NATO member states adopted a target of 3.5% of GDP for defense spending and of 1.5% of GDP for complementary capabilities by 2035 (*source: NATO Declaration*). As such,

the annual defense budgets of European NATO members are expected to increase at a compound annual growth rate (“CAGR”) of 11% from €435 billion in 2024 to €800 billion (2.9% of GDP) in 2030 and could potentially reach €970 billion (3.6% of GDP) in 2030 (*source: McKinsey & Company C*). This could result in a potential cumulative budget increase of up to €1,740 billion between 2025 and 2030 (*source: McKinsey & Company C*). By comparison, US and Canadian defense spending is expected to grow more modestly at a CAGR of 2% from 2024 to 2030 (*source: McKinsey & Company C*). While recent defense budget increases have generally focused on modernization and expansion of member state ground and air forces, these developments have also contributed to an expansion of our attainable market (*source: Company information*) and, as a result, greater visibility regarding potential future Order Intake (as defined below) across our principal operating segments.

Demand for our products and services can also be adversely affected by macroeconomic trends that influence political expenditure decisions. For example, increases in global interest rates can affect government budgets and prioritization, potentially leading to delays in procurement programs or changes in the scope of existing or potential future contracts, either of which could impact our sales profile.

In addition, the complexity and duration of defense-related projects make us particularly sensitive to broader and unforeseen macroeconomic volatility, which can lead to volatility in input costs, project margins and completion schedules over a contract lifecycle. Inflationary pressures, particularly through the rising costs for energy, raw materials and skilled labor, have the potential to compress margins and increase project execution risks. To address these risks, we have progressively implemented price-indexing and escalation clauses in most customer and supplier contracts, which have supported margins during the periods under review. Nevertheless, unexpected or severe increases in costs may not be fully recoverable, which could affect our profitability. Further, supply chain disruptions, including shortages in the availability or delays in the delivery of critical components or materials resulting from trade tensions, export license restrictions or geopolitical or logistics shocks or uncertainty, pose an ongoing risk to our ability to deliver our products and services on schedule and within budget.

During the periods under review, these external factors have at times affected our operating environment and, as a result, influenced our sales, net income and Adjusted EBIT development.

7.2.2 Our Operational Activities and Financial Performance Reflect Specific Characteristics of the Defense Industry

Our business operates in the highly specialized and regulated defense industry, and the unique characteristics of this sector significantly influenced our results of operations and financial position, both period-to-period and over the longer term.

The delivery of technologically advanced naval platforms, in particular submarines, often involves exceptionally long project cycles with the average bidding process for a submarine or surface ship lasting approximately two years, production timelines (including design, construction and commissioning) lasting between three to 10 years for submarines and three to four years for surface vessels as well as the subsequent life-cycle services and support phase (*source: Company information*). These lengthy timelines can impact our operational activities and financial performance throughout the cycle, including our activities in the tender (see “7.2.3 *Success in the Tender Process*”) and performance phases (see “7.2.4 *Order Intake, Order Backlog and Contract Performance*”), and require us to make substantial and sustained investments in our R&D, engineering and production facilities (see “7.2.5 *Technological Innovation and Research & Development Activities*” and “7.2.7 *Capital Expenditures and Major Investments*”) as well as manage long-term supply chain commitments (see “7.2.6 *Cost of Materials and Personnel*”). Importantly, our Order Intake planning assumptions are subject to significant variability due to these extended sales cycles where military priorities can shift based on geopolitical and macroeconomic events.

Our customer base consists almost exclusively of government agencies or entities acting on behalf of sovereign states. As such, procurement decisions and contract awards are subject to the prevailing political climates, election outcomes, changing security doctrines and unforeseen geopolitical events of these nations, as well as their shifting

domestic and international political influence over regulatory scrutiny and export controls, which can impact particular projects. See “*1 Risk Factors—1.1.1 Due to our customer structure, our business depends, directly and indirectly, on defense and security spending by national governments, international organizations, and their armed and security forces, which may be affected by geopolitical and macroeconomic developments*” and “*1 Risk Factors—1.1.3 Diplomatic tensions and increasing protectionist measures such as tariffs in countries or major regions in which we or our customers operate could have a material adverse impact on our business and results of operations.*” As a result, our business is directly exposed to the prevailing defense and security priorities of those governments, as described above, and which influence their procurement policies, multi-annual budget frameworks and the outcomes of annual appropriation cycles.

7.2.3 Success in the Tender Process

Our operating results and outlook are directly shaped by our ability to win contracts through complex tender processes, especially for major naval projects such as submarines, surface vessels, and maritime electronics. In the naval and defense sectors, most contracts are awarded through highly competitive, formal tenders led by national governments or public authorities, and the outcome of such processes directly impacts our performance and future sales pipeline.

The competitive dynamics in our industry are intense, with only a small group of international contractors competing mainly on the basis of, among other things, price, technical capability, product quality, technological innovation and compliance and localization or offset requirements (including, in some circumstances, in-country purchases, technology transfers, local manufacturing support, consulting support to in-country projects, investments in joint ventures and financial support projects and preference local suppliers or subcontractors). In recent years, procurement authorities have also increased their focus on supplier sustainability, cyber resilience and long-term support capabilities, adding further complexity and cost to each bidding cycle.

Our business and sales pipeline are sensitive to the results of these tenders. In a typical year, our total addressable market is defined by a limited number of high-value projects, many of which involve bespoke naval systems. Winning, or failing to win, a major tender can materially affect our Order Intake, sales forecast, workload allocation (for example, across our shipyards or project engineering resources), and our ability to amortize our fixed cost base in future periods. Further, a successful tender result can provide high contract visibility, underpin facility usage for years, and drive positive margin development over the lifecycle of the project.

Participating in these competitive tenders requires us to commit substantial resources. This includes assembling cross-functional teams covering engineering, project management, legal, finance and sales. For high-value projects, in particular for advanced submarines, our tender costs often include detailed engineering studies, bid bonds or guarantees, compliance documentation and, in certain cases, preparing prototypes and demonstration activities. The scope and duration of these tenders can also be considerable, with preparation and negotiation phases often lasting several years, and can cause our associated costs to fluctuate significantly year-on-year in line with the volume and complexity of the tenders pursued.

Our tender-related costs are reported as part of selling expenses and are expensed as incurred unless they qualify for capitalization under IFRS 15. In cases where tender-related costs can be capitalized, they are expensed over the expected term of the related contract. Selling expenses include personnel, service and material costs related to the business development and sales process, particularly the preparation of any plant projects or service order proposals, including marketing and other costs related to the functional area of sales. Selling expenses are also attributable to campaign costs incurred for the tendering of mainly submarine projects and fluctuate with the tender in the respective years and the complexity of the tenders, including proposal and pre-engineering costs. For the fiscal year ended September 30, 2024, our total selling expenses amounted to €71.5 million (September 30, 2023: €76.6 million; September 30, 2022: €63.6 million).

7.2.4 Order Intake, Order Backlog and Contract Performance

Our financial performance and sales visibility are fundamentally driven by (i) the timing and magnitude of Order Intake, together with (ii) the timing of execution for customer contracts that represent the substantial majority of our reported sales, which influence (iii) the size, duration and structure of our Order Backlog.

Order Intake represents binding customer contracts and binding purchase orders concluded in the respective reporting period at the respective contract price, including expected fixed price escalations agreed over the respective contract term but excluding variable price escalations which are only considered in the reporting period in which variable price escalations amounts are billed to our customers. Variability in Order Intake from period-to-period is highly influenced by the factors described in “7.2.1 Macroeconomic and Geopolitical Conditions”, “7.2.2 Our Operational Activities and Financial Performance Reflect Specific Characteristics of the Defense Industry” and “7.2.3 Success in the Tender Process” above. As at June 30, 2025, we had an Order Intake of €8,477.1 million, compared to an Order Intake of €1,354.7 million for the fiscal year ended September 30, 2024, €985.9 million for the fiscal year ended September 30, 2023 and €4,326.0 million for the fiscal year ended September 30, 2022.

Given the large scale and extended lifecycle of our contracts, particularly within the Submarine and Surface Vessels segments, our business experiences significant fluctuations in sales depending on the completion of project milestones. Sales recognition for the majority of our business is governed by the recognition of sales revenue over time (percentage-of-completion method), input-based (cost-to-cost) method, as described in section “7.3.1 Sales” below. Sales are reported as we incur contract costs and are proportionate to the total estimated cost required for contract fulfilment. Variability in our reported results stems from the timing of customer order awards, the pace of physical progress on large projects and the achievement of acceptance or completion milestones required for revenue recognition.

For the fiscal year ended September 30, 2024, we recognized sales across a portfolio of multi-year contracts, with our project pipeline anchored by a limited number of high-value contracts. We actively manage this variability through robust project, risk and contract management practices, as well as by maintaining a spread of projects at varying stages of completion. We also generate service-related sales through aftermarket support, modernization and repair contracts, which form a comparatively small but stable proportion of our overall business.

Order Backlog represents the portion of the associated contract price reflected in Order Intake for which the amount of revenue has not yet been recognized over time in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) 15. Our Order Backlog development depends on the stability of our project calculations and progress in accordance with expected production and delivery timelines and, as such, our Order Backlog development directly impacts our sales generation. As at June 30, 2025, we had secured an Order Backlog of €18,558.8 million, compared to an Order Backlog of €11,799.8 million as at September 30, 2024, €12,743.0 million as at September 30, 2023, and €13,811.5 million as at September 30, 2022. See “1 Risk Factors—1.2.7 We may not be able to realize revenue presented in our Order Intake and Order Backlog.”

Our contract assets and contract liabilities are directly driven by our project business model, which by its nature is subject to significant volatility depending on the status of various large-scale construction projects. We typically obtain significant prepayments in connection with contracts that, at inception, have an average term of seven to 14 years. This approach generates substantial contract liabilities primarily through the recognition of prepayments from customers, in particular as new projects commence and are initially accounted for, with liability unwinding over the project lifecycle as revenue is recognized against satisfied performance obligations. Thus, our contract asset and liability positions remain sensitive to changes in timing, cost estimates, project milestones and customer approvals.

As at September 30, 2024, our contract liabilities (reflecting prepayments from customers in excess of work completed), stood at €1,543.3 million (September 30, 2023: €1,230.7 million; September 30, 2022: €1,187.2 million).

As at September 30, 2024, contract assets (mainly representing unbilled work in progress under long-term construction contracts) stood at €401.4 million (September 30, 2023: €458.9 million; September 30, 2022: €485.3 million). Our trade accounts receivable also increased to €281.0 million as at September 30, 2024 (September 30, 2023: €206.5 million; September 30, 2022: €267.6 million), mainly driven by the status and billing cycles of major contracts.

7.2.5 Technological Innovation and Research & Development Activities

Recent periods have seen significant investment in key technology areas including autonomy (such as uncrewed and autonomous watercraft), next-generation command & control software, lithium-ion battery systems and sustainable and advanced fuel cell propulsion systems. For the fiscal year ended September 30, 2024, we invested 2.4% of sales in R&D, up from 2.2% of sales for the fiscal year ended September 30, 2023 and representing a decrease compared to 3.2% of sales for the fiscal year ended September 30, 2022. The year-on-year fluctuations largely reflect the project lifecycle of major technology initiatives as well as the timing of specific capability development milestones.

Research and development cost includes expenses in connection with research and development activities not eligible for capitalization and other costs related to the functional area of research and development. Research costs are expensed as incurred. As a result, changes in these expenses have influenced financial performance during the periods under review.

For more information see “7.3.3 Research and Development Cost”.

7.2.6 Cost of Materials and Personnel

The Group’s profitability is significantly influenced by fluctuations in the cost of raw materials, components, and personnel. These cost items are key components of our cost of sales and their movements have a direct impact on our gross margin.

Our operations require the sourcing of high-value materials, specialized components and advanced technologies, all of which are subject to global pricing dynamics, supply chain disruptions and changing macroeconomic conditions. Increases in raw material and component costs, driven by global supply constraints, inflationary pressures or geopolitical factors, can result in substantial upward pressure on our cost base.

For the periods under review, we have observed increases in material prices and wage costs, reflecting wider economic trends and industry-specific factors, such as competition for skilled labor. Increases in material prices have been influenced not only by general inflation, but also by factors including trade constraints, supply chain disruptions and the need for dual-sourcing to mitigate procurement risks. For the fiscal year ended September 30, 2024, our total cost of materials and components rose to €1,157.6 million, compared with €995.4 million for the fiscal year ended September 30, 2023 and €1,485.8 million for the fiscal year ended September 20, 2022. In addition to shifts between the planning and construction phases across projects that influence material demand and were impacted by broader economic challenges in the supply chain, personnel costs have also increased steadily over recent years, reflecting pressure from broader inflationary trends, the results of collective bargaining and labor market constraints driven by greater demand for specialized engineering and technical skills. For the fiscal year ended September 30, 2024, our total personnel expenses rose to €734.6 million, compared with €668.7 million in the fiscal year ended September 30, 2023 and €599.8 million for the fiscal year ended September 20, 2022.¹ In many instances, pricing for materials and personnel are fixed at the outset of long-term contracts and, when not fixed, these rising costs are not always fully offset by contractual price escalation mechanisms or efficiency improvements. As a result, unanticipated increases in these costs can negatively impact our project margins.

¹ The personnel expenses were erroneously disclosed in Note 30 to the Audited Combined Financial Statements (the line item “Other expenses for pensions and retirements” has erroneously been added instead of subtracted, therefore the amounts are disclosed in the Audited Combined Financial Statements as follows: as of Sep 30, 2024 €750.9 million, as of Sep 30, 2023 €678.9 million, as of Sep 30, 2022 €624.2 million). This does not affect the audit opinion issued by KPMG. The erroneous disclosure in Note 30 does not give rise to any consequential changes in the Audited Combined Financial Statements.

Our profitability is also affected by the need to manage obsolete or slow-moving inventories, which can be exacerbated by supply chain delays, changes in technology, or shifts in project timelines. For example, in the fiscal year ended September 30, 2024, we recorded inventory write-downs of €7.2 million (September 30, 2023: €3.9 million; September 30, 2022: €6.6 million), reflecting specific adjustments to the carrying value of our inventories in response to updated market and project expectations.

In addition, with respect to certain contracts, we are subject to relevant regulatory requirements regarding pricing. See “1.2.12 Contracting with governments involves increased compliance requirements, procurement processes that can limit pricing flexibility, and may be subject to localization or knowledge transfer requirements, which can impact our profits.”. These requirements impose, in certain circumstances, maximum margins achievable by the Group on applicable contracts with government customers, including price review (*Preisprüfung*) in relation to services for the BAAINBw.

7.2.7 Capital Expenditures and Major Investments

Our operating results and cash flows are significantly affected by the amount and timing of our capital expenditures, both tangible and intangible, which reflect investments in our maintenance, expansion, new technologies, digitalization and M&A needs. Our capital expenditures are funded primarily through operating cash flows, including substantial portions from direct customer contributions pursuant to relevant customer agreements, in particular for new-build programs, such as our Wismar investment. These capital expenditures can fluctuate significantly from year to year and are influenced by the timing of major strategic investments, the lifecycle of large projects and the modernization of production facilities and assets. Total capital expenditures (defined as the total of purchases of investments accounted for using the equity method and non-current financial assets, capital expenditures regarding property, plant and equipment (inclusive of advance payments) and capital expenditures regarding intangible assets (inclusive of advance payments) less proceeds from disposals of property, plant and equipment, intangible assets, investments accounted for using the equity method and other non-current assets) decreased from €130.0 million for the year ended September 30, 2022 to €124.6 million for the fiscal year ended September 30, 2023 and €102.2 million for the fiscal year ended September 30, 2024. Maintenance capital expenditure remained broadly stable during the periods under review, while investment capital expenditure tapered following significant investment in our large-scale production facilities in 2022 and 2023.

During the periods under review, a key aspect of our investment strategy has been the expansion and modernization of production facilities to support our long-term growth, particularly the acquisition of the Wismar shipyard in 2022, which included phased payments and the ongoing large-scale ramp-up of capabilities at the site, as well as planned future investments to increase capacity. This site was acquired with an aim to enhance our future submarine and surface vessel production capacity and its acquisition forms a central pillar of our long-term growth and efficiency strategy. We expect this investment to increase our production capacity, improve operational efficiency and support new project deliveries in upcoming years. Capital investment during the periods under review also included upgrades to our production facilities in Kiel, with substantial investment occurring during the fiscal years ended September 30, 2022 and 2024. These investments included renovation and reconstruction costs, technical machinery and office equipment, and the construction of a new shipbuilding hall and investment in our fuel cell production capabilities. Although investment in intangible assets has represented a smaller portion of our capital expenditure during the periods under review, we have also invested in software licenses, capitalized development costs and internally developed software to support our operating activities and targeted growth.

For the coming years, we have committed substantial resources to capital expenditures, primarily for property, plant and equipment, as well as investments in associated companies, including not only recurring investments for the maintenance and replacement of existing assets but also major strategic investments to expand our operating capabilities. In the coming years, investment and maintenance capital expenditure is largely expected to relate to our Submarines operations.

For further details on our capital expenditures during the periods under review, see “7.7.3 Capital Expenditure”.

7.2.8 Acquisitions

Acquisitions and the successful integration of complementary businesses represent a core part of our strategy to extend our technological capabilities and reinforce our position in the naval defense and maritime sectors. As a focus of our overall business plan, our M&A activities have two strategic priorities: first, portfolio decisions related to production sites (such as the acquisition of our shipyards in Wismar, Germany and in Itajaí, Brazil), as described above; and second, investments to enhance the software dimension of our product portfolio, with a particular focus on acquisitions in the areas of communications; command & control support; intelligence, surveillance and reconnaissance; uncrewed and autonomous vessels and effectors and supporting systems. In recent years, we have advanced this strategic goal through targeted acquisitions, most notably the full consolidation of Atlas Electronics and the integration of TCCT into the Group. We believe these acquisitions will allow us to enhance our expertise in advanced sonar, sensor technology, autonomous systems and AI, which we consider to be critical contributors to our future competitiveness.

Acquisitions typically result in the recognition of significant intangible assets on our balance sheet, particularly for technology, development know-how and established trademarks. In line with our accounting policies, the value of acquired intangible assets is capitalized at cost and, where these assets have finite useful lives, they are systematically amortized over their expected economic life. For example, technology-related intangible assets gained from the acquisition of Atlas Electronics amounted to €119.9 million, with a remaining amortization period of 20 years as at September 30, 2024. Associated trademarks such as “ATLAS” and “Hagenuk” have also been recognized as assets with indefinite useful lives and are subject to annual impairment testing.

While these targeted acquisitions have delivered strategic and operational benefits, the capitalization and subsequent amortization of acquired intangible assets have a direct impact on our reported operating results. Amortization expenses related to these intangible assets are reflected primarily within cost of sales and research and development expenses. As a result, reported amortization costs can increase materially following sizeable transactions, and will fluctuate depending on the value and expected useful lives of the acquired intangible assets. For the fiscal year ended September 30, 2024, our total amortization expense for intangible assets was €21.0 million (2023: €19.4 million; 2022: €23.1 million). For the fiscal years ended September 30, 2024, 2023 and 2022 our total impairment expense for intangible assets was nil.

We believe that successful integration of these acquisitions is essential to unlocking operational synergies, which we seek to achieve through measures such as centralizing R&D activities, consolidating supply chains and harmonizing systems and processes. These synergies are crucial for achieving economies of scale, improving operating margins and achieving the innovation benefits which underpin our acquisition rationale.

7.2.9 Higher financing costs and access to guarantees as a stand-alone group

Operating as a newly independent listed group following the Spin-off, our ability to secure performance guarantees on attractive terms is critical to both project delivery and working capital management. Historically, the thyssenkrupp Group has provided broad parent company guarantees (“PCGs”) backing our major customer contracts and charged the Group fixed annual fees regardless of the guaranteed amount.

In connection with the Spin-off, the terms for existing PCGs have been re-negotiated, resulting in fixed annual fees, payable by us to thyssenkrupp AG that are expected to escalate year-over-year. Importantly, we do not anticipate using new PCGs from thyssenkrupp AG for future contracts. Instead, for new projects entered into after the Spin-off, we will be required to obtain performance bank guarantees directly from commercial market providers to secure fulfilment and advance payment obligations. These guarantees will be issued on the basis of our own credit profile and risk assessment as a stand-alone group.

This structural change is expected to substantially increase our financing costs for performance guarantees. Over the past three fiscal years, guarantee costs related to PCGs were relatively constant (2024: €13.3 million; 2023: €13.5 million; 2022: €15.3 million), with guarantees issued by thyssenkrupp AG to our customers totaling €10,009.3 million as at September 30, 2024 (September 30, 2023: €9,939.7 million; 2022: €10,377.0 million). As we transition to performance bank guarantees, which are priced based on prevailing market terms and our standalone credit risk, the costs for securing required guarantee facilities are expected to rise materially.

In addition to higher fees per unit of guarantee, overall demand for guarantee capacity is forecasted to increase, reflecting our ambitious Order Intake expectations and thus growing Order Backlog. Besides existing PCGs as well as guarantees issued by banks and financial institutions to the Group's customers for its projects, the Group has entered into Bilateral Guarantee Facilities Agreements in the ordinary course of business with several financial institutions that include the Banks or affiliates of the Banks as well as additional banks and other financial institutions. As of the date of this Prospectus, the aggregate volume of the guarantee facilities under the Bilateral Guarantee Facilities Agreements exceeds €2.5 billion. The Company will be able to utilize these guarantee facilities after the conditions precedent, which include the completion of the Admission to Trading, have been met. The Bilateral Guarantee Facility Agreements apply until further notice (*bis auf weiteres*) and may be ordinarily terminated at any time. For more information, see "1.4.1 The availability and conditions of bank guarantee credit facilities may limit the Group's growth and ultimately lead to negative growth."

As a result of the above, we anticipate that both the price and volume of performance guarantees will become significant factors affecting our results, impacting our financing costs, liquidity profile and competitiveness in international tender processes.

7.2.10 The Spin-Off will result in certain additional expenses, including in relation to operating as a public company

As part of our preparations for the Spin-Off, we have incurred additional legal, accounting and other expenses, and we will continue to incur expenses as a public company that we did not incur historically. In particular, as a public company, there will be additional increases in our legal, financial and other compliance costs. These include the costs associated with regulatory and listing exchange compliance, such as governance requirements and obligations in relation to internal controls and disclosures in order to fulfil reporting requirements as a public company. Specifically, we will be subject to regulatory requirements, as well as the rules of the Frankfurt Stock Exchange, which will require us to implement specified disclosure and related corporate governance practices that were formerly not applicable to us. We have taken steps to build our internal capabilities, which required increases in accounting and legal personnel and heightened audit-related expenses, and which we expect to continue to incur on an ongoing basis. For more information, see "1.7.7 – We will face additional administrative requirements and incur higher ongoing costs as a result of our operation as an independent publicly listed company".

In addition, in connection with the Spin-Off, effective March 31, 2025, TKMS GmbH entered into a new licensing agreement with the thyssenkrupp AG, resulting in the termination of the historical brand invoicing model. The new licensing agreement grants us the indefinite right to use the licensed trademark "TKMS". Following the new licensing agreement and a onetime payment of a license fee in the amount of €26.6 million, we recognized an intangible asset in accordance with IAS 38, effective from June 4, 2025, in the amount of €26.6 million at acquisition cost as at June 30, 2025, which will be tested for impairment annually (see Note 33 "Subsequent events" to the Audited Combined Financial Statements). Historically, we paid a license fee to thyssenkrupp AG on an annual basis, calculated according to our sales (excluding sales to the thyssenkrupp Group). The license fees recognized in the Audited Combined Financial Statements under the historical licensing agreement amounted to €4.3 million in the fiscal year ended September 30, 2024, €1.8 million in the fiscal year ended September 30, 2023 and €1.0 million in the fiscal year ended September 30, 2022 (see Note 21 "Related parties" to the Audited Combined Financial Statements).

7.2.11 Finance income on cash balances, including historical cash pooling arrangements with tk Group

During the periods under review, the Group experienced a material increase in finance income, from €16.8 million for the fiscal year ended September 30, 2022 to €63.2 million for the year ended September 30, 2023, which increased further to €70.3 million for the year ended September 30, 2024.

The Group's finance income during the periods under review primarily comprised interest income on cash balances forming part of the tk Group's cash pooling arrangements, which increased from €2.7 million to €47.7 million and €58.3 million for the fiscal years ended September 30, 2022, 2023 and 2024, respectively. See "12.2.1.1 Interest income and expense from cash pool". Cash pool balances are interest-bearing, and deposits (as well as borrowings) are subject to interest at a pre-defined base interest rate (EURIBOR for Euro or equivalent risk-free rates for foreign currencies, floored at 0%). From the fiscal year ended September 30, 2022 to the fiscal year ended September 30, 2023, the weighted average interest rates for Euro deposits increased from 0.2% to 3.5%, for British pound deposits from 2.2% to 5.1% and for US dollar deposits from 1.7% to 5.5% (see Note 21 "Related parties" to the Audited Combined Financial Statements), which contributed materially to the increases in our finance income during these periods.

In addition, our finance income from cash pool arrangements is significantly influenced by the level of cash on deposit over the course of a given year. Our aggregate deposits to the cash pool increased from €149.9 million for the fiscal year ended September 30, 2022 to €300.7 million for the fiscal year ended September 30, 2023, before a net withdrawal of €272.5 million for the fiscal year ended September 30, 2024, which occurred largely toward the end of the fiscal year). Year-end balances in the cash pool were €1,144.8 million, €1,429.1 million and €1,165.6 million as at September 30, 2022, 2023 and 2024, respectively.

7.3 Explanation of Key Line Items

7.3.1 Sales

Sales are derived from contracts with customers and are recognized in accordance with IFRS 15.

We apply two different sales revenue recognition methods depending on the nature of the transfer of the underlying goods or services, *recognition of sales revenue at a point in time* and *recognition of sales revenue over time*. Recognition of revenue at a point in time is mainly applied with respect to the delivery of less complex and less customer-specific products as well as standard spare parts and tools (finished goods and merchandise) and is recognized at the point in time at which control is transferred to the customer. The time of transfer of control is determined partly on the basis of the delivery clauses (incoterms) agreed with the customer.

Revenue is recognized over time for the majority of contracts, which are typically customer-specific, across all our segments. These include both new-build projects and specialized service contracts, such as those related to repair and overhaul, modernization, upgrades, and other tailored agreements. We generally apply the IFRS "series" guidance where the contract includes a promise to transfer a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer, the Group accounts for one series and allocates the transaction price to one series of performance obligations. The Group then recognizes revenue by applying a single measure of progress to that series.

Sales revenue is recognized over time, whereas the progress of satisfying the performance obligations is measured by using the input method based on contract costs, where the progress of satisfying performance obligations is determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as at the reporting date. As such, accounting for such construction contracts requires significant estimates, in particular with respect to total contract costs and contract cost incurred, and thus reflects an estimate of progress made as of a specific reporting date.

Total expected revenue and cost of a contract reflect management's current best estimate of the probable future benefits and obligations associated with the contract, with key estimates being total contract costs, costs to complete,

total contract revenues, contract risks and other assessments. The total anticipated losses from onerous contracts are recognized immediately when the cost estimate indicates a loss and are reported within current other provisions.

For more information see Note 2 “Summary of significant accounting policies and critical accounting estimates” and Note 23 “Sales” to the Audited Combined Financial Statements.

7.3.2 Cost of Sales

Cost of sales includes the engineering, purchase and production costs incurred to generate the sales. In addition to direct material costs, procurement and construction services, cost of sales includes non-staff overheads and personnel costs, which represent the majority of cost of sales. Cost of sales also includes project and non-project-related indirect costs, including depreciation and amortization and warranty costs. For more information see Note 2 “Summary of significant accounting policies and critical accounting estimates” to the Audited Combined Financial Statements.

7.3.3 Research and Development Cost

Research and development cost includes expenses in connection with research and development activities not eligible for capitalization and other costs related to the functional area of research and development. Research costs are expensed as incurred. Results from research activities are used to initiate, plan and execute development projects. Development costs are capitalized in the amount incurred if: the product or process is technically and commercially feasible, it is intended to complete the intangible asset, the intangible asset will generate probable future economic benefits, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development. The capitalized development costs of completed projects are stated at cost less accumulated amortization and impairment losses. Other development costs are expensed as incurred. For more information see Note 24 “Functional Cost” to the Audited Combined Financial Statements.

In the fiscal years ended September 30, 2022, 2023 and 2024 as well as in the nine months ended June 30, 2025, research and development costs were primarily related to the areas of uncrewed vessels, fuel cell technology and the underwater recovery of ordnance.

7.3.4 Selling Expenses

Selling expenses include personnel, service and material costs related to the business development and sales process, particularly the preparation of any plant projects or service order proposals, including marketing and other costs related to the functional area of sales. Selling expenses are also attributable to campaign costs incurred for the tendering of mainly submarine projects and fluctuate with the tender in the respective years and the complexity of the tenders, including proposal and pre-engineering costs. For more information see Note 24 “Functional Cost” to the Audited Combined Financial Statements.

7.3.5 General and Administrative Expenses

General and administrative expenses include costs incurred in operating and administering the business and consist primarily of expenses for salaries of non-project-related personnel and headquarters expenses and other costs related to the functional area of general administration. For more information see Note 24 “Functional Cost” to the Audited Combined Financial Statements.

7.3.6 Other Income

Other income includes all operating income which is not included in or attributable to sales and is comprised of foreign exchange gains, government grants, income from derivatives not qualifying for hedge accounting and other miscellaneous income. Government grants relate to research & development projects. They are recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. There are no unfulfilled conditions or other contingencies attaching to these grants. For more information see Note 25 “Other income” to the Audited Combined Financial Statements.

7.3.7 Other Expenses

Other expenses include all operating expenses which are not included in or attributable to the functional categories and is comprised of foreign exchange losses, thyssenkrupp Group trademark fees, losses from disposals and other miscellaneous expenses. For more information see Note 26 “Other expenses” to the Audited Combined Financial Statements.

7.3.8 Financial Income (Expense), Net

Financial income is comprised of the income (loss) from companies accounted for using the equity-method, interest income from cash pool with thyssenkrupp Group, other finance income, net interest cost of pensions and similar obligations, interest expense from lease liabilities and other finance expenses. Other finance income and other finance expenses comprise profits on short-term investments, and cash deposits. For more information see Note 18 “Investments accounted for using the equity-method” and Note 27 “Finance Income (Expense), Net” to the Audited Combined Financial Statements.

7.3.9 Income Tax (Expense) / Income

Income tax expenses/income taxes consist of current taxes and deferred taxes. Current and deferred income taxes are recognized in accordance with IAS 12, *Income Taxes*. Income taxes comprise all current and deferred taxes based on taxable profit. They are calculated by taking into account the statutory provisions applying in the countries in which the Group operates. Interest and other surcharges in connection with income taxes are not recognized in income tax expense. In this connection management judgments are required which may differ from the interpretations of local tax authorities. If this results in changes to income taxes from the past, these are reported in the period in which sufficient information is available for an adjustment. Generally, income taxes are calculated on the basis of the taxable profits, temporary differences reported for the fiscal year and the tax losses carried forward. Current income taxes are recognized in the amount in which it is assumed they will be paid to the tax authorities in the future. Current income taxes relating to items recognized directly in equity is recognized in equity. For more information see Note 1.4 “Specific considerations reflected in Combined Financial Statements” and Note 2 “Summary of significant accounting policies and critical accounting estimates” to the Audited Combined Financial Statements.

7.4 Results of Operations

7.4.1 Comparison of the Nine Months ended June 30, 2024 and 2025

The following table shows our results of operations for the periods indicated:

	For the nine months ended June 30,	
	2024	2025
	<i>(in € million)</i>	
	<i>(unaudited)</i>	
Sales	1,413.8	1,587.2
Cost of sales	(1,175.9)	(1,312.9)
Gross margin	237.9	274.3
Research and development cost	(33.6)	(34.8)
Selling expenses	(57.7)	(55.3)
General and administrative expenses	(82.7)	(96.6)
Other income.....	21.0	29.0
Other expenses	(29.3)	(31.2)

	For the nine months ended June 30,	
	2024	2025
	<i>(in € million) (unaudited)</i>	
Income from operations	55.6	85.4
Income (loss) from companies accounted for using the equity-method.....	2.0	1.8
Finance income	54.3	52.6
Finance expenses.....	(15.5)	(25.6)
Financial income/(expense), net	40.8	28.8
Income before tax	96.4	114.2
Income tax (expense)/income	(34.4)	(39.0)
Net income	62.1	75.2
Thereof:		
attributable to thyssenkrupp Group	59.4	73.2
attributable to non-controlling interests	2.6	2.0

7.4.1.1 Sales

Our sales increased by €173.4 million, or 12.3%, from €1,413.8 million for the nine months ended June 30, 2024 to €1,587.2 million for the nine months ended June 30, 2025. The increase was primarily driven by further growth in our Submarines segment and an increase of total and external sales in our Atlas Electronics segment, which both compensated for the decline in sales in our Surface Vessels segment.

7.4.1.2 Cost of Sales

Our cost of sales increased by €137.0 million, or 11.7%, from €1,175.9 million for the nine months ended June 30, 2024 to €1,312.9 million for the nine months ended June 30, 2025. The increase was mainly due to higher production volumes in our Submarines and Atlas Electronics segment. Cost of sales as a percentage of sales decreased for the nine months ended June 30, 2025 to 82.7% (nine months ended June 30, 2024: 83.2%), mainly due to a higher share of higher margin projects in our Submarines segment.

7.4.1.3 Gross Margin

Our gross margin increased by €36.4 million, or 15.3%, from €237.9 million for the nine months ended June 30, 2024 to €274.3 million for the nine months ended June 30, 2025. The increase was driven by further growth in our Atlas Electronics segment as well as a higher share of higher margin projects in our Submarines segment. Accordingly, gross margin as a percentage of sales increased for the nine months ended June 30, 2025 to 17.3% (nine months ended June 30, 2024: 16.8%).

7.4.1.4 Research and Development Cost

Our research and development cost increased by €1.2 million, or 3.6%, from €33.6 million for the nine months ended June 30, 2024 to €34.8 million for the nine months ended June 30, 2025. Research and development costs remained largely stable as a percentage of sales for the reporting periods under consideration.

7.4.1.5 Selling Expenses

Our selling expenses decreased by €2.4 million, or 4.2%, from €57.7 million for the nine months ended June 30, 2024 to €55.3 million for the nine months ended June 30, 2025. The decrease was mainly due to the change of the valuation allowance of trade receivables and contract assets, while personnel expenses increased.

7.4.1.6 General and Administrative Expenses

Our general and administrative expenses increased by €13.9 million, or 16.8%, from €82.7 million for the nine months ended June 30, 2024 to €96.6 million for the nine months ended June 30, 2025. The increase in general and administrative expenses was primarily attributable to personnel-related expenses arising from the continued expansion of our workforce capacity and consulting fees, both of which were primarily connected to carve-out and stand-alone readiness measures related to the Group's separation process initiated in the fiscal year ended September 30, 2023.

7.4.1.7 Other Income

Our other income increased by €8.0 million, or 38.1%, from €21.0 million for the nine months ended June 30, 2024 to €29.0 million for the nine months ended June 30, 2025. The increase was mainly due to other miscellaneous income, which includes ancillary income, sales of precious metals, and reimbursements of costs that are passed on to neighboring shipyards, while foreign exchange gains and government grants declined.

7.4.1.8 Other Expenses

Our other expenses increased by €1.9 million, or 6.5%, from €29.3 million for the nine months ended June 30, 2024 to €31.2 million for the nine months ended June 30, 2025. The increase was mainly due to litigation-related expenses, partially offset by lower other miscellaneous expenses.

7.4.1.9 Income from Operations

Our income from operations increased by €29.8 million, or 53.6%, from €55.6 million for the nine months ended June 30, 2024 to €85.4 million for the nine months ended June 30, 2025, for the reasons described above.

Adjusting income from operations for the thyssenkrupp Group trademark fee, income / expense from at-equity valuation, transaction costs and other special items, our Adjusted EBIT increased by €34.2 million, or 54.1%, from €63.3 million for the nine months ended June 30, 2024 to €97.5 million for the nine months ended June 30, 2025, for the reasons described above.

7.4.1.10 Income (loss) from Companies Accounted for using the Equity-Method

Our income (loss) from companies accounted for using the equity-method decreased by €0.2 million, or 10.0%, from €2.0 million for the nine months ended June 30, 2024 to €1.8 million for the nine months ended June 30, 2025.

7.4.1.11 Finance Income

Our finance income decreased by €1.7 million, or 3.1%, from €54.3 million for the nine months ended June 30, 2024 to €52.6 million for the nine months ended June 30, 2025. The decrease was mainly due to lower interest income from cash pool receivables with the thyssenkrupp Group, while other finance income increased.

7.4.1.12 Finance Expenses

Our finance expenses increased by €10.1 million, or 65.2%, from €15.5 million for the nine months ended June 30, 2024 to €25.6 million for the nine months ended June 30, 2025. The increase was mainly due to higher miscellaneous finance expenses.

7.4.1.13 Income Tax (Expense)/Income

Our income tax expense increased by €4.6 million, or 13.4%, from €34.4 million for the nine months ended June 30, 2024 to €39.0 million for the nine months ended June 30, 2025. The increase was mainly due to higher income before income taxes in the nine months ended June 30, 2025. In addition, the expected effective annual income tax rate in

the nine months ended June 30, 2025 was higher compared to the nine months ended June 30, 2024. Further, in the nine months ended June 30, 2024 withholding taxes were recognized which partially offset the income tax expense increase.

7.4.1.14 Net Income

Our net income increased by €13.2 million, or 21.3%, from €62.0 million for the nine months ended June 30, 2024 to €75.2 million for the nine months ended June 30, 2025 for the reasons set out above.

7.4.2 Comparison of the Fiscal Year Ended September 30, 2023 and 2024

The following table shows our results of operations for the periods indicated:

	For the fiscal year ended September 30,	
	2023	2024
	<i>(in € million)</i>	
	<i>(audited)</i>	
Sales	1,948.7	1,986.6
Cost of sales	(1,640.8)	(1,673.5)
Gross margin	307.8	313.1
Research and development cost	(42.6)	(47.7)
Selling expenses	(76.6)	(71.5)
General and administrative expenses	(99.8)	(114.7)
Other income.....	34.3	29.6
Other expenses	(41.8)	(30.3)
Income from operations	81.3	78.4
Income (loss) from companies accounted for using the equity-method.....	1.6	2.3
Finance income	63.3	70.3
Finance expenses.....	(26.8)	(22.3)
Financial income/(expense), net	38.1	50.3
Income before tax	119.4	128.8
Income tax (expense)/income	(56.7)	(41.2)
Net income	62.7	87.6
Thereof:		
attributable to thyssenkrupp Group.....	56.9	82.9
attributable to non-controlling interests	5.8	4.7

7.4.2.1 Sales

Our sales increased by €37.9 million, or 1.9%, from €1,948.7 million for the fiscal year ended September 30, 2023 to €1,986.6 million for the fiscal year ended September 30, 2024. The increase was primarily driven by growth in our Submarines segment and an increase of the share of external sales in our Atlas Electronics segment, which both compensated for the decline in sales in our Surface Vessels segment.

The following table provides a breakdown of sales by geographic region and highlights customers whose sales accounted for more than 10% of the Group's sales, for the periods indicated:

	For the fiscal year ended September 30,	
	2023	2024
	<i>(in € million)</i>	
	<i>(audited)</i>	
Germany.....	585.0	509.4
Brazil.....	260.9	360.7
Egypt ⁽¹⁾	286.5	-
Norway.....	249.8	290.7
All other countries.....	566.5	825.8
Total	1,948.7⁽²⁾	1,986.6⁽²⁾

Notes:

- (1) Sales for the fiscal year ended September 30, 2024 included under "All other countries".
- (2) See Note 22 "Segments" to the Audited Combined Financial Statements.

In presenting information for geographical areas, the allocation of sales is based on the location of the end customer of each project.

7.4.2.2 Cost of Sales

Our cost of sales increased by €32.7 million, or 2.0%, from €1,640.8 million for the fiscal year ended September 30, 2023 to €1,673.5 million for the fiscal year ended September 30, 2024. The increase was mainly due to higher production volumes. Cost of sales as a percentage of sales was stable for the fiscal year ended September 30, 2024 at 84.2% (fiscal year ended September 30, 2023: 84.2%).

7.4.2.3 Gross Margin

Our gross margin increased by €5.2 million, or 1.7%, from €307.8 million for the fiscal year ended September 30, 2023 to €313.1 million for the fiscal year ended September 30, 2024, for the reasons described above. Gross profit as a percentage of sales was relatively stable for the fiscal year ended September 30, 2024 at 15.8% (fiscal year ended September 30, 2023: 15.8%). The slight absolute increase was primarily driven by higher revenues, while the relative margin remained stable.

7.4.2.4 Research and Development Cost

Our research and development cost increased by €5.2 million, or 12.1%, from €42.6 million for the fiscal year ended September 30, 2023 to €47.7 million for the fiscal year ended September 30, 2024. Research and development costs remained largely stable as a percentage of sales as compared to the fiscal year ended September 30, 2023.

7.4.2.5 Selling Expenses

Our selling expenses decreased by €5.1 million, or 6.7%, from €76.6 million for the fiscal year ended September 30, 2023 to €71.5 million for the fiscal year ended September 30, 2024. The decrease was mainly due to the change of the valuation allowance of trade receivables and contract assets. Selling expenses remained largely stable as a percentage of sales as compared to the fiscal year ended September 30, 2023.

7.4.2.6 General and Administrative Expenses

Our general and administrative expenses increased by €14.9 million, or 14.9%, from €99.8 million for the fiscal year ended September 30, 2023 to €114.7 million for the fiscal year ended September 30, 2024. The increase in general and administrative expenses was primarily attributable to personnel-related expenses arising from the expansion of our workforce capacity and consulting fees, both of which were primarily connected to carve-out and stand-alone readiness measures related to the Group's separation process initiated in the fiscal year ended September 30, 2023.

7.4.2.7 Other Income

Our other income decreased by €4.7 million, or 13.6%, from €34.3 million for the fiscal year ended September 30, 2023 to €29.6 million for the fiscal year ended September 30, 2024. The decrease was mainly due to lower other miscellaneous income, which contains other ancillary income, sales of precious metals and reimbursements of costs that are passed on to neighboring external shipyards.

7.4.2.8 Other Expenses

Our other operating expenses decreased by €11.5 million, or 27.5%, from €41.8 million for the fiscal year ended September 30, 2023 to €30.3 million for the fiscal year ended September 30, 2024. The decrease was mainly due to lower other miscellaneous expenses, which contain reallocation of costs from other functional areas and, amongst others, banking fees as well as costs that are passed on to neighboring external shipyards.

7.4.2.9 Income from Operations

Our income from operations decreased by €2.9 million, or 3.5%, from an income of €81.3 million for the fiscal year ended September 30, 2023 to an income of €78.4 million for the fiscal year ended September 30, 2024, for the reasons described above.

Adjusting income from operations for the thyssenkrupp Group trademark fee, income / expense from at-equity valuation and other special items, our Adjusted EBIT decreased by €2.1 million, or 2.4%, from €87.7 million for the fiscal year ended September 30, 2023 to €85.6 million for the fiscal year ended September 30, 2024, for the reasons described above.

7.4.2.10 Income (loss) from Companies Accounted for using the Equity-Method

Our income (loss) from companies accounted for using the equity-method increased by €0.8 million, or 50.0%, from an income of €1.6 million for the fiscal year ended September 30, 2023 to an income of €2.3 million for the fiscal year ended September 30, 2024.

7.4.2.11 Finance Income

Our finance income increased by €7.0 million, or 11.1%, from €63.3 million for the fiscal year ended September 30, 2023 to €70.3 million for the fiscal year ended September 30, 2024. The increase was mainly due to interest income from cash pool receivables with the thyssenkrupp Group.

7.4.2.12 Finance Expenses

Our finance expenses decreased by €4.5 million, or 16.7%, from €26.8 million for the fiscal year ended September 30, 2023 to €22.3 million for the fiscal year ended September 30, 2024. The decrease was mainly due to lower miscellaneous finance expenses.

7.4.2.13 Income Tax (Expense)/Income

Our income tax (expense)/income decreased by €15.5 million, or 27.3%, from an income tax expense of €56.7 million for the fiscal year ended September 30, 2023 to an income tax expense of €41.2 million for the fiscal year ended September 30, 2024. The decrease was mainly due to lower withholding taxes recognized in the fiscal year ended September 30, 2024.

7.4.2.14 Net Income

Our net income increased by €24.9 million, or 39.6% from a net income of €62.7 million for the fiscal year ended September 30, 2023 to a net income of €87.6 million for the fiscal year ended September 30, 2024 for the reasons set forth above.

7.4.3 Comparison of the Fiscal Year Ended September 30, 2022 and 2023

The following table shows our results of operations for the periods indicated:

	For the fiscal year ended September 30,	
	2022	2023
	<i>(in € million)</i>	
	<i>(audited)</i>	
Sales	1,695.8	1,948.7
Cost of sales	(1,457.3)	(1,640.8)
Gross margin	238.6	307.8
Research and development cost	(54.3)	(42.6)
Selling expenses	(63.6)	(76.6)
General and administrative expenses	(96.5)	(99.8)
Other income.....	34.2	34.3
Other expenses	(26.7)	(41.8)
Income from operations	31.7	81.3
Income (loss) from companies accounted for using the equity-method.....	(6.2)	1.6
Finance income	16.8	63.3
Finance expenses.....	(9.6)	(26.8)
Financial income/(expense), net	1.0	38.1
Income before tax	32.7	119.4
Income tax (expense)/income	(19.6)	(56.7)
Net income	13.1	62.7
Thereof:.....		
attributable to thyssenkrupp Group.....	11.1	56.9
attributable to non-controlling interests	2.0	5.8

7.4.3.1 Sales

Our sales increased by €252.9 million, or 14.9%, from €1,695.8 million for the fiscal year ended September 30, 2022 to €1,948.7 million for the fiscal year ended September 30, 2023. The increase was driven by growth in our Submarines segment and our Atlas Electronics segment, whereas sales in our Surface Vessels segment remained largely stable.

The following table provides a breakdown of sales by geographic region, including customers whose sales accounted for more than 10% of the Group's sales, for the periods indicated:

	For the fiscal year ended September 30,	
	2022	2023
	<i>(in € million)</i>	
	<i>(audited)</i>	
Germany.....	437.0	585.0
Brazil.....	187.2	260.9
Egypt.....	394.3	286.5
Norway ⁽¹⁾	-	249.8
Singapore ⁽²⁾	278.2	-
All other countries.....	399.1	566.5
Total	1,695.8⁽³⁾	1,948.7⁽³⁾

Notes:

- (1) Sales for the fiscal year ended September 30, 2022 included under “All other countries”.
- (2) Sales for the fiscal year ended September 30, 2023 included under “All other countries”.
- (3) See Note 22 “Segments” to the Audited Combined Financial Statements.

In presenting information for geographical areas, the allocation of sales is based on the location of the end customer of each project.

7.4.3.2 Cost of Sales

Our cost of sales increased by €183.6 million, or 12.6%, from €1,457.3 million for the fiscal year ended September 30, 2022 to €1,640.8 million for the fiscal year ended September 30, 2023. The increase was mainly due to higher production volumes. Ongoing efficiency improvements across all segments had a partially offsetting effect. Cost of sales as a percentage of sales decreased for the fiscal year ended September 30, 2023 to 84.2% (fiscal year ended September 30, 2022: 85.9%), due to these efficiency improvements and reduced impact from lower-margin legacy projects.

7.4.3.3 Gross Margin

Our gross margin increased by €69.3 million, or 29.0%, from €238.6 million for the fiscal year ended September 30, 2022 to €307.8 million for the fiscal year ended September 30, 2023, for the reasons described above. Gross margin as a percentage of sales increased for the fiscal year ended September 30, 2023 to 15.8% (fiscal year ended September 30, 2022: 14.1%), due to higher sales alongside an improvement in gross margin based on a better cost structure and reduced impact from lower-margin legacy projects.

7.4.3.4 Research and Development Cost

Our research and development cost decreased by €11.7 million, or 21.6%, from €54.3 million for the fiscal year ended September 30, 2022 to €42.6 million for the fiscal year ended September 30, 2023. Research and development costs remained largely stable as a percentage of sales for the reporting periods under consideration.

7.4.3.5 Selling Expenses

Our selling expenses increased by €13.0 million, or 20.4%, from €63.6 million for the fiscal year ended September 30, 2022 to €76.6 million for the fiscal year ended September 30, 2023. The increase in selling expenses was primarily driven by country specific valuation allowances, while higher personnel expenses also contributed to

the trend. Selling expenses remained largely stable as a percentage of sales for the reporting periods under consideration.

7.4.3.6 General and Administrative Expenses

Our general and administrative expenses increased by €3.4 million, or 3.5%, from €96.5 million for the fiscal year ended September 30, 2022 to €99.8 million for the fiscal year ended September 30, 2023. The increase was due to the expansion of central functions and the associated rise in personnel expenses. These personnel costs were similarly the main driver for the increased cost reductions in other areas, which partially offset this increase.

7.4.3.7 Other Income

Our other operating income increased by €0.1 million, or 0.4%, from €34.2 million for the fiscal year ended September 30, 2022 to €34.3 million for the fiscal year ended September 30, 2023. The increase was primarily due to other miscellaneous income, which includes ancillary income, sales of precious metals, and reimbursements of costs that are passed on to neighboring shipyards. Additionally, a decline in foreign exchange gains was offset by an increase in government grants, contributing to the overall increase in other operating income.

7.4.3.8 Other Expenses

Our other expenses increased by €15.1 million, or 56.6%, from €26.7 million for the fiscal year ended September 30, 2022 to €41.8 million for the fiscal year ended September 30, 2023. The increase was mainly due to higher other miscellaneous one-off expenses including, but not limited to, standby costs amongst others banking fees as well as costs that are passed on to neighboring shipyards.

7.4.3.9 Income from Operations

Our income from operations increased by €49.7 million, or 156.9%, from an income of €31.7 million for the fiscal year ended September 30, 2022 to an income of €81.3 million for the fiscal year ended September 30, 2023, for the reasons described above.

Adjusting income from operations for the thyssenkrupp Group trademark fee, income / expense from at-equity valuation and other special items, our Adjusted EBIT increased by €54.0 million, or 160.5%, from €33.7 million for the fiscal year ended September 30, 2022 to €87.7 million for the fiscal year ended September 30, 2023, for the reasons described above.

7.4.3.10 Income (loss) from Companies Accounted for using the Equity-Method

Our income (loss) from companies accounted for using the equity-method increased by €7.7 million from a loss of €6.2 million for the fiscal year ended September 30, 2022 to an income of €1.6 million for the fiscal year ended September 30, 2023. The increase was mainly due to an impairment recorded in the fiscal year ended September 30, 2022 in the amount of €6.5 million with respect to one of our equity-accounted joint ventures and improved operational results of equity-accounted investments in the fiscal year ended September 30, 2023.

7.4.3.11 Finance Income

Our finance income increased by €46.5 million, or 276.7%, from €16.8 million for the fiscal year ended September 30, 2022 to €63.3 million for the fiscal year ended September 30, 2023. The increase was mainly due to higher interest income from cash pool receivables with the thyssenkrupp Group.

7.4.3.12 Finance Expenses

Our finance expenses increased by €17.2 million, or 179.1%, from €9.6 million for the fiscal year ended September 30, 2022 to €26.8 million for the fiscal year ended September 30, 2023. The increase was mainly due to an increase in net interest cost of pensions and similar obligations and other finance expenses.

7.4.3.13 Income Tax (Expense)/Income

Our income tax (expense)/income increased by €37.0 million, or 188.6%, from an income tax expense of €19.6 million for the fiscal year ended September 30, 2022 to an income tax expense of €56.7 million for the fiscal year ended September 30, 2023. The increase was mainly due to a higher income before tax and higher withholding taxes recognized in the fiscal year ended September 30, 2023.

7.4.3.14 Net Income

Our net income increased by €49.6 million, or 378.6%, from a net income of €13.1 million for the fiscal year ended September 30, 2022 to a net income of €62.7 million for the fiscal year ended September 30, 2023 due to the factors discussed above.

7.5 Segment Reporting

The Group applies IFRS 8 Segment Reporting and has reported financial data for its segments Submarines, Surface Vessels and Atlas Electronics and for financial reporting purposes our other business activities, including NXTGEN Engineering and TCCT, are combined and presented in All Other Segments for the nine months ended June 30, 2025 and 2024 and fiscal years ended September 30, 2024, 2023 and 2022. In accordance with the management approach prescribed by IFRS 8, the segment reporting reflects the internal organizational and reporting structure implemented by the Group as of the date of the issuance of the Group's Audited Combined Financial Statements and Group's Unaudited Condensed Combined Interim Financial Statements, respectively. The segment data for the fiscal years ended September 30, 2024, 2023 and 2022 has been derived from the Groups Audited Combined Financial Statements. The segment data for the nine months ended June 30, 2025 and 2024 has been derived from the Group's Unaudited Condensed Combined Interim Financial Statements.

The following table provides a breakdown of certain financial information for each of our segments for the periods indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in € million)</i>				
	<i>(audited)</i>			<i>(unaudited)</i>	
Submarines					
Sales.....	641.0	955.6	975.7	624.6	853.9
Gross Margin	83.7	68.1	72.6	52.2	90.7
Surface Vessels					
Sales.....	738.2	646.9	570.8	497.2	368.3
Gross Margin	44.4	98.9	95.5	87.2	59.4
Atlas Electronics					
Sales.....	458.9	603.1	589.8	404.0	476.7
Gross Margin	109.6	135.4	143.6	98.2	114.7
All Other Segments					
Sales.....	8.4	6.7	7.5	6.3	7.0
Gross Margin	7.6	7.4	3.8	2.1	2.9

	For the fiscal year ended September 30,			For the nine months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in € million)</i>				
	<i>(audited)</i>			<i>(unaudited)</i>	
Corporate and Consolidation					
Sales.....	(150.7)	(263.6)	(157.3)	(118.3)	(118.7)
Gross Margin	(6.8)	(1.9)	(2.4)	(1.7)	6.7
Total Group					
Sales.....	1,695.8	1,948.7	1,986.6	1,413.8	1,587.2
Gross Margin	238.6	307.8	313.1	237.9	274.3

7.5.1 Comparison of the Nine Months ended June 30, 2024 and 2025

7.5.1.1 Submarines

Our sales in the Submarines segment increased by €229.4 million, or 36.7%, from €624.6 million for the nine months ended June 30, 2024 to €853.9 million for the nine months ended June 30, 2025. The increase was mainly due to production progress made in early-stage high-volume projects.

Our gross margin in the Submarines segment increased by €38.5 million, or 73.8%, from €52.2 million for the nine months ended June 30, 2024 to €90.7 million for the nine months ended June 30, 2025. The increase was driven by higher production volumes combined with a higher share of higher margin projects.

7.5.1.2 Surface Vessels

Our sales in the Surface Vessels segment decreased by €128.9 million, or 25.9%, from €497.2 million for the nine months ended June 30, 2024 to €368.3 million for the nine months ended June 30, 2025. The decrease was mainly due to multi-year projects advancing to later stages, with progress largely completed in prior years, partly offset by a large project for which activities concerning the manufacturing process increased and first deliveries are expected in the near future.

Our gross margin in the Surface Vessels segment decreased by €27.8 million, or 31.9%, from €87.2 million for the nine months ended June 30, 2024 to €59.4 million for the nine months ended June 30, 2025. The decrease was mainly due to decreased sales and a lower proportion of projects with higher project gross margins.

7.5.1.3 Atlas Electronics

In the Atlas Electronics segment, which provides naval electronic solutions to external customers and the Submarines and Surface Vessels segments, total sales, consisting of internal sales subject to consolidation and external sales, increased by €72.7 million, or 18.0%, from €404.0 million for the nine months ended June 30, 2024 to €476.7 million for the nine months ended June 30, 2025. This increase was mainly driven by an increase in external sales which increased by €76.1 million, or 26.8%, from €284.3 million for the nine months ended June 30, 2024 to €360.4 million for the nine months ended June 30, 2025. The increase in external sales was primarily driven by external growth, influenced by a continuing trend of increased sales related to various solutions, especially driven by the product group vessel systems and positive regional contributions from the United Kingdom.

Our gross margin in the Atlas Electronics segment increased by €16.5 million, or 16.8%, from €98.2 million for the nine months ended June 30, 2024 to €114.7 million for the nine months ended June 30, 2025. The increase was mainly due an increase in sales at largely stable margins.

7.5.1.4 All Other Segments

Our sales from All Other Segments increased by €0.7 million, or 11.1%, from €6.3 million for the nine months ended June 30, 2024 to €7.0 million for the nine months ended June 30, 2025. The increase was mainly due to revenue from TCCT in the area of specialized engineering services.

Our gross margin in All Other Segments increased by €0.9 million, or 41.7%, from €2.1 million for the nine months ended June 30, 2024 to €2.9 million for the nine months ended June 30, 2025. The increase was mainly due an increase in sales.

7.5.2 Comparison of Fiscal Years Ended September 30, 2023 and 2024

7.5.2.1 Submarines

Our sales in the Submarines segment increased by €20.1 million, or 2.1%, from €955.6 million for the fiscal year ended September 30, 2023 to €975.7 million for the fiscal year ended September 30, 2024. The increase was primarily driven by production progress made in early-stage projects.

Our gross margin in the Submarines segment increased by €4.5 million, or 6.6%, from €68.1 million for the fiscal year ended September 30, 2023 to €72.6 million for the fiscal year ended September 30, 2024. The increase in absolute gross margin for the Submarines segment was primarily due to increase in sales while maintaining a stable relative gross margin of 7.4%. The main drivers of stable relative gross margins were a higher proportion of gross margins from new projects with higher relative gross margins, offset by negative gross margin impacts resulting from adjusted cost to complete estimations relating to various legacy projects.

7.5.2.2 Surface Vessels

Our sales in the Surface Vessels segment decreased by €76.1 million, or 11.8%, from €646.9 million for the fiscal year ended September 30, 2023 to €570.8 million for the fiscal year ended September 30, 2024. The decrease was mainly due to multi-year projects advancing to later stages, with progress largely completed in prior years.

Our gross margin in the Surface Vessels segment decreased by €3.4 million, or 3.4%, from €98.9 million for the fiscal year ended September 30, 2023 to €95.5 million for the fiscal year ended September 30, 2024. The decrease was primarily due to decreased sales and a lower proportion of projects with higher project gross margins.

7.5.2.3 Atlas Electronics

In the Atlas Electronics segment, total sales, consisting of internal sales subject to consolidation and external sales, decreased by €13.3 million, or 2.2%, from €603.1 million for the fiscal year ended September 30, 2023 to €589.8 million for the fiscal year ended September 30, 2024. This decrease was primarily driven by a reduction in internal deliveries, particularly to the Submarines segment. External sales increased by €95.1 million, or 28.2%, from €337.6 million for the fiscal year ended September 30, 2023 to €432.7 million for the fiscal year ended September 30, 2024. This increase was primarily driven by external growth, reflecting higher sales of various solutions, such as sonars, sensors, command-and-control systems, naval weapons and communication systems, to external customers.

Our gross margin in the Atlas Electronics segment increased by €8.3 million, or 6.1%, from €135.4 million for the fiscal year ended September 30, 2023 to €143.6 million for the fiscal year ended September 30, 2024. The increase was mainly due to an improvement in the segment's cost structure leading to increased margin despite lower sales.

7.5.2.4 All Other Segments

Our sales for All Other Segments increased by €0.8 million, or 11.9%, from €6.7 million for the fiscal year ended September 30, 2023 to €7.5 million for the fiscal year ended September 30, 2024. The increase was mainly due to service revenue from TCCT in the area of specialized engineering services.

Our gross margin in All Other Segments decreased by €3.6 million, or 49.0%, from €7.4 million for the fiscal year ended September 30, 2023 to €3.8 million for the fiscal year ended September 30, 2024. The decrease was mainly due to one-off effects in the previous fiscal year.

7.5.3 Comparison of Fiscal Years Ended September 30 2022 and 2023

7.5.3.1 Submarines

Our sales in the Submarines segment increased by €314.6 million, or 49.1%, from €641.0 million for the fiscal year ended September 30, 2022 to €955.6 million for the fiscal year ended September 30, 2023. The increase was primarily driven by progress in the production of legacy and new projects from our Order Backlog.

Our gross margin in the Submarines segment decreased by €15.6 million, or 18.6%, from €83.7 million for the fiscal year ended September 30, 2022 to €68.1 million for the fiscal year ended September 30, 2023. The decline in gross margin was primarily driven by the reassessment of one legacy project, which resulted in the contract being classified as onerous and led to the recognition of costs to account for the expected loss the fiscal year ended September 30, 2023.

7.5.3.2 Surface Vessels

Our sales in the Surface Vessels segment decreased by €91.3 million, or 12.4%, from €738.2 million for the fiscal year ended September 30, 2022 to €646.9 million for the fiscal year ended September 30, 2023. This decrease was primarily driven by the final delivery of a surface vessel in the fiscal year ended September 30, 2022 and other multi-year projects advancing to later stages, with progress largely completed in prior years.

Our gross margin in the Surface Vessels segment increased by €54.5 million, or 122.6% from €44.4 million for the fiscal year ended September 30, 2022 to €98.9 million for the fiscal year ended September 30, 2023. The increase in gross margin was primarily driven by progress on higher-margin projects despite only a modest increase in sales.

7.5.3.3 Atlas Electronics

In the Atlas Electronics segment, total sales, consisting of internal sales subject to consolidation and external sales increased by €144.2 million, or 31.4%, from €458.9 million for the fiscal year ended September 30, 2022 to €603.1 million for the fiscal year ended September 30, 2023. The increase was mainly due to higher internal sales to the Submarines and Surface Vessels segments. External sales increased by €26.3 million, or 8.4%, from €311.3 million for the fiscal year ended September 30, 2022 to €337.6 million for the fiscal year ended September 30, 2023. The increase was mainly driven by growth across various products and services.

Our gross margin in the Atlas Electronics segment increased by €25.8 million, or 23.5%, from €109.6 million for the fiscal year ended September 30, 2022 to €135.4 million for the fiscal year ended September 30, 2023. The increase in gross margin was mainly due to higher sales.

7.5.3.4 All Other Segments

Our sales from All Other Segments decreased by €1.7 million, or 20.2%, from €8.4 million for the fiscal year ended September 30, 2022 to €6.7 million for the fiscal year ended September 30, 2023. The decrease was mainly due to revenue from TCCT in the area of specialized engineering services.

Our gross margin in All Other Segments decreased by €0.2 million, or 2.6%, from €7.6 million for the fiscal year ended September 30, 2022 to €7.4 million for the fiscal year ended September 30, 2023. The decrease in gross margin was mainly due to one-off effect from provisions in the fiscal year ended September 30, 2023.

7.5.4 Adjusted EBIT Margin

The Group's segment reporting under IFRS 8 currently focuses on sales and gross margin as the primary profitability measures at the segment level, reflecting the currently implemented management and reporting structures following thyssenkrupp AG's steering logic (reporting of adjusted EBIT only at the thyssenkrupp Group Marine Systems segment level and not for the Group's operating segments Submarines, Surface Vessels, and Atlas Electronics). In connection with revising its target operating model, the Group is currently revising its management and reporting structures to assign its segments broader responsibility for costs not captured in our gross margin. Following the Admission to Trading, our management plans to adopt Adjusted EBIT as the primary profitability metric at the segment level, consistent with the Group level, beginning with the Q1 2025/26 interim period.

For the Group, Adjusted EBIT increased significantly from €33.7 million for the fiscal year ended September 30, 2022 to €87.7 million for the fiscal year ended September 30, 2023. In the fiscal year ended September 30, 2024, the Adjusted EBIT decreased slightly to €85.6 million. For the nine months ended June 30, 2025, Adjusted EBIT increased to €97.5 million.

These movements reflect varying dynamics across both the segment and corporate function levels. Subject to the final decision regarding the segments' areas of responsibility and corresponding allocations of costs below gross margin to the segment level, early indications show that the Submarines segment Adjusted EBIT Margin was close to zero or slightly negative in the fiscal year ended September 30, 2022 through the fiscal year ended September 30, 2024 and declining slightly over that period. From the fiscal year ended September 30, 2022 through the fiscal year ended September 30, 2023, this was mainly driven by the impact of certain legacy contracts, partly offset by contributions from newer projects with higher margin profiles, as seen in a declining gross margin. From the fiscal year ended September 30, 2023 through the fiscal year ended September 30, 2024, the increased relative revenue share of the segment Submarines vis-à-vis the other segments and thus increased overhead allocation share, offset the slight improvement in the operative business shown by a slightly increasing gross margin. By contrast, indications are that the Surface Vessels and Atlas Electronics segments had positive and improving Adjusted EBIT Margins over the same periods.

7.6 Financial Position

The table below sets forth our combined statements of financial position as of the reporting dates indicated:

	As at September 30,			As at
	2022	2023	2024	June 30,
	<i>(in € million)</i>			2025
		<i>(audited)</i>		<i>(unaudited)</i>
Assets				
Goodwill	1,043.1	1,043.1	1,043.7	1,043.7
Intangible assets other than goodwill	295.9	286.9	270.8	286.1
Property, plant and equipment	337.1	396.4	488.0	486.4
Investments in equity-accounted investees	3.5	5.0	6.3	8.1
Other financial assets	0.2	14.1	14.4	10.7
Other non-financial assets.....	152.2	158.0	93.8	108.5
Deferred tax assets.....	22.8	21.7	17.6	14.4

	As at September 30,			As at
	2022	2023	2024	June 30,
	<i>(in € million)</i>			2025
Total non-current assets	1,854.7	1,925.1	1,934.5	1,957.9
Inventories	172.5	209.3	244.6	327.4
Trade accounts receivable.....	367.6	206.5	281.0	232.2
Contract assets	485.3	458.9	401.3	453.0
Other financial assets.....	1,208.4	1,549.4	1,346.2	1,138.9
Other non-financial assets.....	442.6	456.9	595.0	761.4
Current income tax assets	4.3	5.3	5.7	5.7
Cash and cash equivalents	265.4	150.9	122.0	1,009.5
Total current assets	2,846.0	3,037.2	2,995.9	3,928.1
Total assets	4,700.8	4,962.2	4,930.4	5,886.2
Equity and liabilities				
Invested equity attributable to thyssenkrupp Group.....	2,024.4	2,131.7	1,676.3	1,803.9
Cumulative other comprehensive income	(73.3)	(70.0)	(89.5)	(95.5)
Equity attributable to thyssenkrupp Group	1,951.1	2,061.7	1,586.8	1,708.4
Invested equity attributable to non- controlling interests	4.1	9.8	11.2	12.4
Total equity	1,955.1	2,071.5	1,598.0	1,720.8
Accrued pension and similar obligations	362.9	344.6	366.5	347.1
Provisions for other non-current employee benefits	10.8	11.9	12.2	15.8
Other provisions, non-current.....	0.8	5.7	5.6	0.5
Deferred tax liabilities	124.4	140.5	202.7	243.2
Lease liabilities, non-current	28.7	26.6	27.0	25.6
Other financial liabilities, non- current.....	31.8	16.3	14.6	13.7
Total non-current liabilities and provisions	559.4	545.6	628.6	645.9
Provisions for current employee benefits	28.1	29.9	36.7	33.2
Other provisions, current	393.1	346.0	354.1	369.1

	As at September 30,			As at
	2022	2023	2024	June 30,
	<i>(in € million)</i>			2025
Current income tax liabilities.....	8.2	12.7	13.7	14.3
Lease liabilities, current.....	6.3	5.1	5.8	7.3
Trade accounts payable.....	247.9	374.2	411.4	580.8
Other financial liabilities, current	158.0	174.2	122.8	142.8
Contract liabilities.....	1,187.2	1,230.7	1,543.3	2,143.2
Other non-financial liabilities	157.5	172.5	216.2	228.6
Total current liabilities and provisions	2,186.2	2,345.2	2,703.8	3,519.3
Total liabilities	2,745.7	2,890.7	3,332.4	4,165.2
Total equity and liabilities	4,700.8	4,962.2	4,930.4	5,886.2

7.6.1 Non-Current Assets

Our non-current assets comprise goodwill, intangible assets other than goodwill, property, plant and equipment, investments in equity-accounted investees, other financial assets, other non-financial assets and deferred tax assets.

Our non-current assets increased by €23.5 million, or 1.2%, from €1,934.4 million as at September 30, 2024 to €1,957.9 million as at June 30, 2025. The increase was primarily attributable to investments in intangible assets for the use of the “TKMS” brand, amongst others, and an increase in other non-financial assets resulting from an increase in advance payments related to investments in property, plant and equipment.

Our non-current assets increased by €9.5 million, or 0.5%, from €1,925.1 million as at September 30, 2023 to €1,934.5 million as at September 30, 2024. The increase was mainly due to investments in property, plant and equipment intended to expand and modernize our existing production facilities to support long-term growth. This was partially offset by a decrease in non-financial assets resulting from a reduction in advance payments related to investments in property, plant and equipment.

Our non-current assets increased by €70.4 million, or 3.8%, from €1,854.7 million as at September 30, 2022 to €1,925.1 million as at September 30, 2023. The increase was primarily attributable to property, plant, and equipment capacity expansions at existing locations and to progress in construction as a result of expenditure for plants and technical machinery under construction.

7.6.2 Current Assets

Our current assets comprise inventories, trade accounts receivable, contract assets, other financial assets, other non-financial assets, current income tax assets, cash and cash equivalents.

Our current assets increased by €932.3 million, or 31.1%, from €2,995.8 million as at September 30, 2024 to €3,928.1 million as at June 30, 2025. The increase was primarily attributable to an increase in cash and cash equivalents mainly due to received prepayments by costumers, an increase in other non-financial assets driven by advance payments to suppliers in connection with milestone payments for our large-scale projects and an increase of our inventories due to higher production levels and the associated build-up of working capital in the nine months ended June 30, 2025. This was partially offset by a decline in other financial assets mainly driven by lower receivables from cash pooling

and offsetting effects in trade accounts receivables and contract assets attributable to timing effects and normal cyclical movements in project execution prepayments received from customers.

Our current assets decreased by €41.3 million, or 1.4%, from €3,037.2 million as at September 30, 2023 to €2,995.9 million as at September 30, 2024. The decline in current assets is primarily attributable to a decrease in other financial assets mainly driven by lower receivables from cash pooling due to payments made in connection with the legal reorganization of the Group exceeding positive operation cash flows in the fiscal year ended September 30, 2024. This was partially offset by an increase in our other non-financial assets resulting from advance payments to suppliers in connection with milestone payments for our large-scale projects and an increase in trade accounts receivable and inventories, which was driven by higher production levels and the associated build-up of working capital in the fiscal year ended September 30, 2024.

Our current assets increased by €191.2 million, or 6.7%, from €2,846.0 million as at September 30, 2022 to €3,037.2 million as at September 30, 2023. The increase was primarily attributable to an increase in other financial assets, driven by the Group's cash pooling activities largely reflecting the positive balance of operating cash flow, capital expenditures and inventories driven by higher production levels and the associated build-up of working capital in the fiscal year ended September 30, 2023. This increase was partially offset by a decrease in cash and cash equivalents due to operating cash outflows in one of our foreign subsidiaries not included in the cash pool, trade accounts receivables attributable to timing effects and normal cyclical movements in project execution and contract assets largely driven by prepayments received from customers.

7.6.3 Non-Current Liabilities and Provisions

Our non-current liabilities and provisions comprise accrued pension and similar obligations, provisions for other non-current employee benefits, other non-current provisions, deferred tax liabilities, non-current lease liabilities, other non-current financial liabilities.

Our non-current liabilities and provisions increased by €17.3 million, or 2.8%, from €628.6 million as at September 30, 2024 to €645.9 million as at June 30, 2025. The increase was primarily attributable to an increase in deferred tax liabilities partly offset by a decrease in accrued pension and similar obligations largely driven by an increase of the discount rate applied.

Our non-current liabilities and provisions increased by €83.0 million, or 15.2%, from €545.6 million as at September 30, 2023 to €628.6 million as at September 30, 2024. The increase was mainly due to an increase in deferred tax liabilities.

Our non-current liabilities and provisions decreased by €13.9 million, or 2.5%, from €559.4 million as at September 30, 2022 to €545.6 million as at September 30, 2023. The decrease was primarily attributable to a decrease in accrued pension and similar obligations as a result of actuarial gains from the remeasurement and payments of pensions.

7.6.4 Current Liabilities and Provisions

Our current liabilities comprise provisions for current employee benefits, other current provisions, current income tax liabilities, current lease liabilities, trade accounts payable, other current financial liabilities, contract liabilities, other non-financial liabilities.

Our current liabilities increased by €815.6 million, or 30.2%, from €2,703.8 million as at September 30, 2024 to €3,519.3 million as at June 30, 2025. The increase was primarily attributable to higher contract liabilities largely driven by increased prepayments from customers for ongoing new-build projects as well as an increase in trade accounts payable. In addition, other non-financial liabilities also rose, resulting from increased accruals relating to subsequent production costs of orders and liabilities to employees.

Our current liabilities increased by €358.6 million, or 15.3%, from €2,345.2 million as at September 30, 2023 to €2,703.8 million as at September 30, 2024. The increase was mainly driven by higher contract liabilities largely

driven by increased prepayments from customers for ongoing new-build projects in our Submarines and Surface Vessels segments. In addition, other non-financial liabilities also rose, resulting from increased liabilities to employees, tax liabilities (without income taxes) and liabilities from wage taxes.

Our current liabilities increased by €158.90 million, or 7.3%, from €2,186.2 million as at September 30, 2022 to €2,345.2 million as at September 30, 2023. The increase was primarily attributable to an increase in trade accounts payable associated with higher production levels, in particular in our Submarines segment, and an increase in our contract liabilities due to customer prepayments for ongoing new-build projects within the Submarines and Surface Vessels segments, partly offset by a decrease of other current provisions resulting from a decline in both litigation-related reserves and other provisions.

7.7 Liquidity and Capital Reserves

Liquidity describes the availability of sufficient financial resources to meet our respective payment obligations when they become due.

The Group's principal source of funds has been cash generated from operations, which generally comprise significant contractual prepayments arising from sales, as described below (see "7.7.2 Net Working Capital"), and contracted periodic and completion payments. As a result, our cash inflows, pursuant to these agreed contractual payment terms, can fluctuate significantly period to period. The Group's principal uses of cash are labor costs, material costs (in relation to completion of sales contracts, as well as R&D activities, sales activities and central administrative activities) and investments, including capital expenditure.

7.7.1 Cash Flows

The following table shows the principal components of the Group's combined statement of cash flows for the periods indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in € million)</i>				
	<i>(audited)</i>			<i>(unaudited)</i>	
Operating cash flows ⁽¹⁾	404.6	304.4	457.5	(33.3)	718.8
Cash flows from investing activities	(279.9)	(425.3)	170.2	(12.0)	(17.1)
Cash flows from financing activities....	47.5	9.5	(641.2)	(0.3)	192.5
Cash and cash equivalents at beginning of year	72.6	265.4	150.9	150.9	122.0
Cash and cash equivalents at end of year.....	265.4	150.9	122.0	95.9	1,009.6

Note:

(1) Including interest and taxes.

7.7.1.1 Operating Cash Flows

Our operating cash flows changed by €752.1 million, from cash outflows of €33.3 million for the nine months ended June 30, 2024 to cash inflows of €718.8 million for the nine months ended June 30, 2025. The increase was primarily attributable to an increase in prepayments received from customers for new major projects that are at an early stage

and an increase in trade accounts payables attributable to timing effects and normal cyclical movements in project execution, partially offset by payments related to inventories.

Our operating cash flows increased by €153.1 million, or 50.3%, from cash inflows of €304.4 million for the fiscal year ended September 30, 2023 to cash inflows of €457.5 million for the fiscal year ended September 30, 2024. The increase was mainly due to an increase in prepayments received from customers for new major projects that are at an early stage, partially offset by associated prepayments made to suppliers in connection with these new projects.

Our operating cash flows decreased by €100.2 million, or 24.8%, from cash inflows of €404.6 million for the fiscal year ended September 30, 2022 to cash inflows of €304.4 million for the fiscal year ended September 30, 2023. The decrease was due to lower prepayments received from customers, which were partially offset by lower prepayments made to suppliers.

7.7.1.2 Cash Flows from Investing Activities

Our cash flows from investing activities changed by €5.1 million, or 42.7% from cash outflows of €12.0 million for the nine months ended June 30, 2024 to cash outflows of €17.1 million for the nine months ended June 30, 2025. The decrease was primarily attributable to the acquisition of the right for the use of the “TKMS” brand, largely compensated by higher cash pool withdrawals.

Our cash flows from investing activities changed by €595.6 million, from cash outflows of €425.3 million for the fiscal year ended September 30, 2023 to cash inflows of €170.2 million for the fiscal year ended September 30, 2024. The change was primarily due to a shift from cash pool deposits in fiscal year ended September 30, 2023 to withdrawals in fiscal year ended September 30, 2024 as a result of cash outflows from financing activities of €641.2 million, which were largely driven by payments made in connection with the legal reorganization of selected shareholdings in subsidiaries of the Group on the basis of share purchase and transfer agreements exceeding positive operating cash flows in the fiscal year ended September 30, 2024.

Our cash flows from investing activities decreased by €145.4 million, or 51.9%, from cash outflows of €279.9 million for the fiscal year ended September 30, 2022 to cash outflows of €425.3 million for the fiscal year ended September 30, 2023. The decrease was mainly due to increased cash pool deposits.

7.7.1.3 Cash Flows from Financing Activities

Our cash flows from financing activities increased by €192.7 million from cash outflows of €0.3 million for the nine months ended June 30, 2024 to cash inflows of €192.4 million for the nine months ended June 30, 2025. The increase was primarily attributable to higher cash inflows from the settlement of the Group’s net receivables under profit or loss transfer arrangements with the thyssenkrupp Group.

Our cash flows from financing activities changed by €650.7 million from cash inflows of €9.5 million for the fiscal year ended September 30, 2023 to cash outflows of €641.2 million for the fiscal year ended September 30, 2024. The change was due to transactions with the thyssenkrupp Group that included payments made in connection with the legal reorganization of selected shareholdings in subsidiaries of the Group on the basis of share purchase and transfer agreements.

Our cash flows from financing activities decreased by €38.1 million, or 80.0%, from cash inflows of €47.5 million for the fiscal year ended September 30, 2022 to cash inflows of €9.5 million for the fiscal year ended September 30, 2023. The decrease was due to lower cash inflows from the settlement of the Group’s net receivables under profit or loss transfer arrangements with the thyssenkrupp Group.

7.7.2 Net Working Capital

Our Net Working Capital is mainly driven by submarine and surface vessel construction projects and fluctuates when achieving certain completion or payment milestones for our projects, as described below. As we have no material inventories, our Net Working Capital is significantly influenced by our contract assets and contract liabilities. As the

business model for our construction projects generally involves sizeable advance prepayments from our customers, our Net Working Capital remains significantly negative over the project construction period.

We calculate Net Working Capital as the total of inventories and trade accounts receivable less trade accounts payable and Net Advance Payments (comprising the total of contract assets and advance payments to suppliers (which form part of other financial assets) less contract liabilities). The table below sets forth a calculation of our Net Working Capital as at the reporting dates indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,
	2022	2023	2024	2025
	<i>(in € million)</i>			
	<i>(audited, unless otherwise indicated)</i>			<i>(unaudited)</i>
Trade accounts receivable	267.6	206.5	281.0	232.2
Trade accounts payable	(247.9)	(374.2)	(411.4)	(580.8)
Inventories	172.5	209.3	244.6	327.4
Net Advance Payments ⁽¹⁾⁽²⁾	(290.3)	(370.5)	(600.3)	(1,017.8)
Net working capital⁽²⁾	(98.1)	(328.9)	(486.0)	(1,039.0)

Notes:

(1) Calculated as contract assets (June 30, 2025: €453.0 million, September 30, 2024: €401.4 million, September 30, 2023: €458.9 million, September 30, 2022: €485.3 million) minus contract liabilities (June 30, 2025: €2,134.2 million, September 30, 2024: €1,543.3 million, September 30, 2023: €1,230.7 million, September 30, 2022: €1,187.2 million) plus advance payments to suppliers (which form part of other financial assets) (June 30, 2025: €672.4 million, September 30, 2024: €541.7 million, September 30, 2023: €401.2 million, September 30, 2022: €411.6 million).

(2) Unaudited.

Net Working Capital as at June 30, 2025 amounted to negative €1,039.0 million compared to negative €486.0 million as at September 30, 2024. The decrease was primarily due to an increase in Net Advance Payments, driven mainly by increased prepayments from customers for ongoing new-build projects in our Submarines and Surface Vessels segments that resulted in higher contract liabilities, partially offset by higher advance payments to suppliers and increase in trade accounts payables attributable to timing effects and normal cyclical movements in project execution. This was partially offset by an increase in inventories, driven by higher production levels and the associated build-up of working capital in the nine months ended June 30, 2025.

Net Working Capital as at September 30, 2024 amounted to negative €486.0 million compared to negative €328.9 million as at September 30, 2023. The decrease was primarily driven by a decrease in Net Advance Payments, resulting from an increase in contract liabilities, mainly due to customer prepayments for ongoing new-build projects within the Submarines and Surface Vessels segments, and a reduction in contract assets, partially offset by higher advance payments to suppliers.

Net Working Capital as at September 30, 2023 amounted to negative €328.9 million compared to negative €98.1 million as at September 30, 2022. The decrease was primarily due to an increase in trade accounts payable and Net Advance Payments and a decrease of trade accounts receivable. The increase in trade accounts payable was associated with higher production levels in particular in our Submarines segment, which is likewise reflected in the

growth of inventories. The decrease in Net Advance Payments stemmed from higher contract liabilities and lower contract assets, mainly due to customer prepayments for ongoing new-build projects within the Submarines and Surface Vessels segments. The decrease in trade accounts receivable was largely attributable to timing effects and normal cyclical movements in project execution.

7.7.3 Capital Expenditure

We distinguish between capital expenditures regarding property, plant and equipment (inclusive of advance payments) and capital expenditures regarding intangible assets (inclusive of advance payments). Capital expenditures regarding property, plant and equipment (inclusive of advance payments) reflect investments in our maintenance, expansion, and M&A needs, while capital expenditures regarding intangible assets (inclusive of advance payments) reflect investments in new technologies and digitalization.

7.7.3.1 Historical Capital Expenditures regarding Property, Plant and Equipment (Inclusive of Advance Payments)

For the nine months ended June 30, 2025, capital expenditures regarding property, plant and equipment (inclusive of advance payments) amounted to €46.2 million and related mainly to the purchase of technical machinery, factory and office equipment, in connection with the expansion and modernization of existing production facilities in Kiel.

For the fiscal year ended September 30, 2024, capital expenditures regarding property, plant and equipment (inclusive of advance payments) amounted to €83.7 million and related mainly to the purchase of technical machinery, factory and office equipment, in connection with the expansion and modernization of existing production facilities in Kiel.

For the fiscal year ended September 30, 2023, capital expenditures regarding property, plant and equipment (inclusive of advance payments) amounted to €109.2 million and related mainly to construction in progress, including expenditure for the construction and renovation of buildings in Kiel and the purchase of technical machinery as well as plants under construction.

For the fiscal year ended September 30, 2022, capital expenditures regarding property, plant and equipment (inclusive of advance payments) amounted to €109.5 million and related mainly to the acquisition of land, buildings and technical machinery, factory and office equipment in Wismar to further expand its future submarine and surface vessel production capacity and other measures in connection with modernization of existing production facilities in Kiel.

We have funded our capital expenditures regarding property, plant and equipment (inclusive of advance payments) in the last fiscal years as well as for the nine months ended June 30, 2025 through operating cash flows and cash pool deposits with the thyssenkrupp Group.

7.7.3.2 Historical Capital Expenditures regarding Intangible Assets (Inclusive of Advance Payments)

For the nine months ended June 30, 2025, capital expenditures regarding intangible assets (inclusive of advance payments) amounted to €41.7 million and related mainly to the acquisition of the right to use the “TKMS” brand and the acquisition of software licenses, capitalized development costs and internally developed software.

For the fiscal year ended September 30, 2024, capital expenditures regarding intangible assets (inclusive of advance payments) amounted to €20.0 million and related mainly to the acquisition of software licenses, capitalized development costs and internally developed software.

For the fiscal year ended September 30, 2023, capital expenditures regarding intangible assets (inclusive of advance payments) amounted to €15.5 million and related mainly to the acquisition of software licenses, capitalized development costs and internally developed software.

For the fiscal year ended September 30, 2022, capital expenditures regarding intangible assets (inclusive of advance payments) amounted to €14.9 million and related mainly to the acquisition of software licenses, capitalized development costs and internally developed software.

We have funded our capital expenditures regarding intangible assets (inclusive of advance payments) in the last fiscal years as well as for the nine months ended June 30, 2025 through operating cash flows and cash pool deposits with thyssenkrupp AG.

7.7.3.3 Current and Planned Capital Expenditures

Between June 30, 2025 and the date of this Prospectus, the Group's capital expenditures amounted to €75.0 million, including in relation to the continued ramp-up of our production facilities at Wismar and investment for the comprehensive modernization of the production lines at our shipyard in Kiel. Capital expenditures in Germany accounted for €67.0 million. Although we expect to commence initial construction of submarines in 2026 and surface vessels in 2027 at our shipyard in Wismar, we expect future capital expenditures necessary to finalize, in particular, the build-out of our hybrid shipyard at Wismar, to amount to approximately €200 million through 2028. We expect these capital expenditures to be funded primarily through operating cash flows, including substantial portions from direct customer contributions pursuant to relevant customer agreements. Further, in the medium term, we are targeting a gradual decline to annual investments of approximately 4% of sales.

7.7.4 Cash Pooling and Cash Management

For the purpose of the Group's capital management, we were integrated into the financing structure of the thyssenkrupp Group, which, in addition to participation in the thyssenkrupp Group's cash pooling, includes cash investments. In 2024, we began the gradual separation of our financial structures from those of the thyssenkrupp Group, with us leaving the thyssenkrupp Group cash pool on September 25, 2025. In parallel, we have established a separate treasury organization, among other things, within the Group.

7.7.5 Contractual Obligations and Commitments

Expenses resulting from short-term and low-value rental agreements and leases are not capitalized based on an exemption under IFRS 16. We have identified certain asset classes (e.g., PCs, telephones, printers, copiers) under which all leased assets are regularly considered low value. Outside these asset classes, only leased assets with a value of up to €5,000 are classified as low-value leased assets.

As at September 30, 2024, regarding our capitalized leases, our lease liabilities amounted to €32.7 million. We have also extended certain of our existing lease contracts and signed new lease contracts during the fiscal year ended September 30, 2024, some of which had not commenced as at September 30, 2024. These new lease contracts, which have not yet commenced, will result in a future cash outflow of €1.5 million within the next ten years after commencement date.

7.7.6 Maturity of Liabilities

The following table shows our expected future undiscounted cash outflows from financial liabilities based on contractual agreements:

	As at September 30, 2024	Cash flows within 1 year	Cash flows between 2 and 5 years	Cash flows of more than 5 years
		(in € million)		
		(audited)		
Lease liabilities	32.7	7.0	16.9	15.2
Trade accounts payable	411.4	406.3	5.1	—
Derivative financial instruments not qualifying for hedge accounting.....	4.1	2.1	1.9	—

	As at September 30, 2024	Cash flows within 1 year	Cash flows between 2 and 5 years	Cash flows of more than 5 years
		<i>(in € million)</i>		
		<i>(audited)</i>		
Derivative financial instruments qualifying for hedge accounting.....	33.3	3.3	17.8	16.7
<u>Other financial liabilities⁽¹⁾.....</u>	<u>137.4</u>	<u>172.7</u>	<u>23.0</u>	<u>—</u>

Note:

- (1) Other financial liabilities are comprised of payables to thyssenkrupp Group, embedded derivatives, payables from purchase of property, plant, equipment and miscellaneous other financial liabilities mainly linked to payments related to costs to obtain contracts.

Cash flows from derivatives are offset by cash flows from hedged underlying transactions, which we have not considered in the analysis of our maturities. If cash flows from the hedged underlying transactions were considered, the cash flows shown in the above table would decrease.

7.7.7 Contingent Liabilities

In connection with our projects, the thyssenkrupp Group has issued PCGs. These PCGs consist of our liability declarations and bank guarantees and are issued based on the thyssenkrupp Group financial policies and the special terms and conditions for their guarantee business. As at September 30, 2024, guarantees issued by the thyssenkrupp Group to our customers amounted to €10,009.3 million (September 30, 2023: €9,939.7 million, September 30, 2022: €10,377.0 million). In addition, there were bank guarantees issued to our customers in the amount of €1,220.9 million as at September 30, 2024 (September 30, 2023: €1,226.9 million, September 30, 2022: €1,425.3 million).

The thyssenkrupp Group guarantees to our customers also result in the generation of guarantee fees calculated at a fixed fee (i.e. regardless of the guaranteed amount) by the thyssenkrupp Group that are charged to us. We have included charged fees for these guarantees in our Audited Combined Financial Statements at their historical amounts. In connection with the Spin-off, the terms and conditions of our thyssenkrupp Group guarantees have been re-negotiated effective for the fiscal year ending September 30, 2026. Under the re-negotiated terms, the thyssenkrupp Group will continue to charge a fixed fee by guarantee in an amount that increases year-over-year. While existing thyssenkrupp Group guarantees are expected to remain in place after the Spin-off, we do not intend to make use of new thyssenkrupp Group guarantees with respect to new contracts we enter into after the Spin-off. With respect to new projects concluded after the Spin-off, we expect to use performance bank guarantees issued by a bank on our behalf to guarantee the fulfilment of our obligations. As such, we expect our guarantee costs to significantly increase in subsequent reporting periods. We therefore caution that the amounts included in the Audited Combined Financial Statements may not be indicative of our future performance and do not necessarily reflect what our net assets, financial position, results of operations, capital structure and cash flows would have been had we operated as an independent group during the presented reporting periods.

We regularly bear joint and several liability as a member of partnerships, such as consortiums or joint ventures.

We also had contingent liabilities related to the recognition of legal and product-related matters.

We did not have any other commitments and contingencies as at September 30, 2024, 2023 and 2022.

7.7.8 Pension Provisions

We maintain defined contribution plans in Germany, South Korea and the United Kingdom. For the fiscal year ended September 30, 2024, €7.5 million (September 30, 2023: €6.3 million, September 30, 2022: €5.5 million) were charged to the income statement as contributions to defined contribution plans (including contributions to our defined benefit pension plans in Germany accounted as defined contribution plans).

In Germany, we offer retirement benefits via a multi-employer defined benefit plan operated by “*Babcock Pensionskasse*”. As the funding assets of Babcock Pensionskasse cannot individually be attributed to the different sponsors, the plan is accounted for as a defined contribution plan, however, the legally required pension indexation is not expected to be covered by the pension fund must be paid by the Group companies directly. Accordingly, the proportioned pension indexation share is accounted as a defined benefit plan. We closed our last pension fund promise to new entries by the end of 2016 and replaced it with a contribution-based pension plan with risk-optimized payout forms (i.e., lump sum, installments or life-long pension). In particular, for newly recruited professionals and managers, the “flex plan” was introduced on January 1, 2017. The “flex plan” is a share-based pension plan with a 1% minimum interest per annum guaranteed by the employer.

As at September 30, 2024, the accrued pension liability relating to our defined benefit plans existing in Germany amounted to €349.8 million. For the fiscal year ended September 30, 2024, pension benefit payments for plans in Germany amounted to €20.9 million (September 30, 2023: €20.2 million, September 30, 2022: €21.1 million) and were made mainly from provisions in an amount of €20.8 million (September 30, 2023: €20.0 million, September 30, 2022: €20.8 million). For the fiscal year ended September 30, 2024, pension benefits payments of €0.2 million (September 30, 2023: €0.2 million, September 30, 2022: €0.2 million) were made mainly from plan assets.

For the fiscal year ended September 30, 2024, we accrued obligations resulting from partial retirement agreements in the amount of €14.6 million (September 30, 2023: €17.9 million, September 30, 2022: €21.2 million), which are subsequently paid in installments after an employee’s retirement. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in installments after retirement. In addition, such employees receive a supplement on top of their pay. For these obligations, accruals were recognized in accordance with IAS 19 “Employee Benefits”.

Other accrued pension-related obligations for the fiscal year ended September 30, 2024 mainly included provisions for our pension adjustment (*Betriebsrentenanpassung*) in Germany in the amount of €1.7 million (September 30, 2023: €1.9 million, September 30, 2022: €1.8 million) and accruals for early retirement payment for employees in Germany in the amount of €14.6 million (September 30, 2023: €17.9 million, September 30, 2022: €21.2 million).

7.7.9 Off-Balance Sheet Arrangements

As at September 30, 2024, expenses from off-balance sheet variable lease payments were recognized in the amount of €0.1 million (September 30, 2023: €0.1 million, September 30, 2022: €0.1 million).

We did not have any other off-balance sheet arrangements as at September 30, 2024, 2023 and 2022.

7.8 Non-IFRS Financial Measures (Alternative Performance Measures)

In addition to our IFRS reporting, we use certain non-IFRS financial measures (alternative performance measures (“APMs”)) to track our operating performance and liquidity position. These include Adjusted EBIT, Adjusted EBIT Margin, Order Intake, Order Backlog, Free Cash Flow, Net Advance Payments, and Net Working Capital. These APMs are not required by, or presented in accordance with, IFRS or any other generally accepted accounting principles. We present these APMs because we use such information in monitoring our business and because we believe that it is frequently used by analysts, investors and other interested parties in evaluating companies in our industry. In addition, it may contribute to a more comprehensive understanding of our business. The table below sets forth an overview of certain Group APMs for the periods and reporting dates indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in € million)</i>				
	<i>(unaudited, unless indicated otherwise)</i>				
Alternative Performance Measures					
Adjusted EBIT ⁽¹⁾	33.7	87.7	85.6	63.3	97.5
Adjusted EBIT Margin (in %).....	2.0	4.5	4.3	4.5	6.1
Order Intake.....	4,326.0	985.9	1,354.7	667.4	8,477.1
Order Backlog ⁽¹⁾	13,811.5	12,743.0	11,799.8	11,622.2	18,558.8
Free Cash Flow.....	274.6	179.8	355.3	(90.0)	631.0
Net Advance Payments.....	(290.3)	(370.5)	(600.3)	n/a	(1,017.8)
Net Working Capital.....	(98.1)	(328.9)	(486.0)	n/a	(1,039.0)

Note:

(1) Audited for the fiscal years ended September 30, 2022, 2023 and 2024.

7.8.1 Adjusted EBIT and Adjusted EBIT Margin

We define Adjusted EBIT as income from operations as presented in the Group's combined statement of income, with adjustments for expenses relating to the thyssenkrupp Group trademark fee, income and expenses from at-equity valuations and other special items, such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, income from further investments and selected transaction related costs, including but not limited to merger & acquisition-related costs and transaction costs in connection with capital market transactions which are presented separately beginning from fiscal year 2024/2025. We define Adjusted EBIT Margin as Adjusted EBIT divided by sales.

We present Adjusted EBIT and Adjusted EBIT Margin as a supplemental financial measure of our operating performance because we believe Adjusted EBIT is more suitable than EBIT for comparing operating performance over several periods as it excludes non-recurring effects, which we believe provides for clearer year-over-year comparability and a more accurate reflection of underlying operational results. We believe that Adjusted EBIT and Adjusted EBIT Margin are useful to investors in evaluating our operating performance. Other companies may calculate Adjusted EBIT and Adjusted EBIT Margin differently than we do. Therefore, you should exercise caution in comparing Adjusted EBIT and Adjusted EBIT Margin as reported by us to Adjusted EBIT and Adjusted EBIT Margin of other companies. Adjusted EBIT and Adjusted EBIT Margin are not measures of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

The following table provides a reconciliation of our Adjusted EBIT to our income from operations for the periods indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,	
	2022	2023	2024	2024	2025
	<i>(in € million)</i>				
	<i>(audited, unless otherwise indicated)</i>			<i>(unaudited)</i>	
Income from operations	31.7	81.3	78.4	55.6	85.4
thyssenkrupp Group trademark fee	1.0	1.8	4.3	4.3	4.1
Income / (expense) from at equity-valuation.....	(6.2)	1.6	2.3	2.0	1.8
Other special items ⁽¹⁾	7.2	3.1	0.5	1.3	0.1
Transaction costs	-	-	-	-	6.1
Adjusted EBIT	33.7	87.7	85.6	63.3	97.5
Sales	1,695.8	1,948.7	1,986.6	1,414	1,587.2
Adjusted EBIT Margin⁽²⁾ (in %)	2.0	4.5	4.3	4.5	6.1

Notes:

(1) For the nine months ended June 30, 2025 other special items consisted of reversal of impairment losses amounting to €1.7 million and other special items comprise a total income of €1.8 million. In the fiscal year ended September 30, 2024 other special items consisted of a reversal of impairment losses amounting to €1.9 million, expenses for consulting fees amounting to €3.2 million and other special items amounting to a total income of €0.8 million. In the fiscal year ended September 30, 2023 other special items consisted of a reversal of impairment losses amounting to €0.6 million, restructuring expenses amounting to €2.9 million and other special items amounting to a total expense of €0.7 million. In the fiscal year ended September 30, 2022 other special items consisted of impairment losses amounting to €6.3 million, restructuring expenses amounting to €1.3 million and other special items amounting to a total income of €0.4 million.

(2) Calculated by dividing Adjusted EBIT by sales. Unaudited.

7.8.2 Free Cash Flow

We define Free Cash Flow as operating cashflows less cashflows from investing activities, however, adding back cashflows from cash pool withdrawals (deposits) included in cashflows from investing activities. We present Free Cash Flow because we believe it is useful to assist investors to evaluate our ability to generate cash from our business activities. Other companies may calculate Free Cash Flow differently than we do. Therefore, you should exercise caution in comparing Free Cash Flow as reported by us to Free Cash Flow of other companies. Free Cash Flow is not a measure of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. The following table provides a calculation of the Group's Free Cash Flow for the periods indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,
	2022	2023	2024	2025
	<i>(in € million)</i>			
	<i>(audited, unless otherwise indicated)</i>			<i>(unaudited)</i>
Operating cash flows	404.6	304.4	457.5	718.8

	For the fiscal year ended September 30,			For the nine months ended June 30,
	2022	2023	2024	2025
	<i>(in € million)</i>			
Cash flows from investing activities ..	(279.9)	(425.3)	170.3	(17.1)
Less: Cash pool withdrawals (deposits).....	(149.9)	(300.7)	272.5	(70.6)
Cash flows from investing activities (adjusted) ⁽¹⁾⁽²⁾	(130.0)	(124.6)	(102.2)	(87.7)
Free Cash Flow⁽¹⁾	274.6	179.8	355.3	631.1

Notes:

(1) Unaudited.

(2) Adjusted to exclude cash management effects related to cash pool withdrawals (deposits) in connection with the integration into the cash pooling and cash management systems of thyssenkrupp Group.

7.8.3 Net Advance Payments

We define Net Advance Payments as the total of contract assets and advance payments to suppliers (which form part of other financial assets) less contract liabilities. We present Net Advance Payments because it serves as a metric for examining the financing situation of our customer contract-driven business. By analyzing Net Advance Payments, we believe we gain insight into whether received customer payments are sufficient to fulfil our contractually agreed performance obligations. We calculate Net Advance Payments as contract assets minus contract liabilities assets plus advance payments to suppliers. Net Advance Payments is a part and the most relevant influential factor of our Net Working Capital.

The following table provides a calculation of the Group's Net Advance Payments for the periods indicated:

	For the fiscal year ended September 30,			For the nine months ended June 30,
	2022	2023	2024	2025
	<i>(in € million)</i>			
	<i>(audited, unless otherwise indicated)</i>			<i>(unaudited)</i>
Contract assets	485.3	458.9	401.4	453.0
Contract liabilities.....	(1,187.2)	(1,230.7)	(1,543.3)	(2,143.2)
Advance payments to suppliers ⁽¹⁾	411.6	401.2	541.7	672.4
Net Advance Payments⁽²⁾	(290.3)	(370.5)	(600.3)	(1,017.8)

Notes:

(1) Forms part of other financial assets in the Group's balance sheet.

(2) Unaudited.

7.9 Quantitative and Qualitative Disclosures About Financial Risks

In the ordinary course of business, we are exposed to a variety of financial risks, including interest rate risk, credit risk and liquidity risk. We monitor and manage these risks as part of our overall risk management. Risk management is an essential aspect of our corporate governance and business processes. It comprises the core elements of corporate planning, including the intra-year review process, risk and opportunity management, the internal control system and the compliance management system. The following section briefly describes the significant financial risks to which we are exposed. This description does not address other risks to which we are exposed in the ordinary course of business, such as operational risks. See “*1 Risk Factors.*”

7.9.1 Credit risk

Credit risk is the risk of our incurring financial losses due to the non-fulfilment or partial fulfilment of existing debt obligations. Credit risk management is governed by corporate guidelines. We are required to implement credit risk management in accordance with these guidelines.

In order to minimize credit risks from the use of financial instruments, we conclude such transactions with counterparties that meet our internal minimum requirements, as defined by credit risk management. Creditworthiness is monitored based on assessments by recognized rating agencies and by taking short-term early warning indicators into account. Derivative financial instruments are generally entered into based on standard contracts in which it is possible to net open transactions with the respective business partners.

Credit risks are generally hedged with suitable instruments, including private and state credit insurance and letters of credit and guarantees from banks, insurance companies and management companies. For long-term contracts, additional security is provided in the form of advance payments received. Our corporate guidelines also provide for the assessment of credit risk based on the risk profile of the business partner using suitable internal and, where available, external information, such as ratings and credit reports. Credit limits are set for each business partner using this credit rating. The assessment of the risk profile for each business partner is subject to ongoing monitoring. Processes and guidelines for determining what measures are taken in the event of a deterioration of creditworthiness or payment default to mitigate the maximum default risk is based on the individual characteristics of the customers.

Transactions whose value exceeds specified materiality thresholds, especially when the business is undergoing major projects, also require prior approval at the Group level.

7.9.2 Liquidity risk

Liquidity risk describes the risk that we are unable to adequately meet our existing or future payment obligations due to insufficient availability of cash or cash equivalents or can raise liquidity only at a higher price. Prior to the Spin-off, our liquidity risk was managed by means of integration into the cash pooling and cash management systems of thyssenkrupp Group. Following the Spin-off, liquidity risk will be managed by a separate treasury organization currently being set up within the Group.

7.9.3 Foreign Currency Risk

We operate internationally and are thus exposed to foreign currency risks. These arise when recognized assets and liabilities and future transactions are denominated in a currency other than our functional currency.

Foreign currency hedging is used to fix prices based on hedging rates as protection against any unfavorable future exchange rate fluctuations. Hedging periods are generally based on the maturities of underlying transactions, which for foreign currency derivative contracts generally have maturities of twelve months or less but can be up to nine years in exceptional cases.

Our most relevant risk variables for sensitivity analyses under IFRS 7 are the US dollar, Norwegian krone and British pound as the vast majority of foreign currency cash flows occurs in these currencies. As hedging transactions are

generally used to hedge underlying transactions, opposite effects in underlying and hedging transactions are almost entirely offset over the total period. Therefore, the currency risk exposure described results from hedging relationships with off-balance sheet underlying transactions, i.e., hedges of firm commitments and forecasted sales.

Based on our analysis, our exposures to the US dollar, Norwegian krone and British pound as at September 30, 2024, 2023, 2022 were as follows:

If the Euro had been 10% stronger against the US dollar as at September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €0.5 million lower (September 30, 2023: €1.5 million lower, September 30, 2022: €0.8 million lower).

If the Euro had been 10% weaker against the US dollar as at September 30, 2024, the earnings resulting from the measurement as at the balance sheet date would have been €0.9 million higher (September 30, 2023: €2.1 million higher, September 30, 2022: €0.8 million higher).

If the Euro had been 10% stronger against the Norwegian krone as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €26,301 thousand lower (September 30, 2023: €27,390 thousand lower, September 30, 2022: €27,881 thousand lower).

If the Euro had been 10% weaker against the Norwegian krone as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €44,636 thousand higher (September 30, 2023: €25,579 thousand higher, September 30, 2022: €32,106 thousand higher).

If the Euro had been 10% stronger against the British pound as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €19 thousand higher (September 30, 2023: €0 thousand higher, September 30, 2022: €11 thousand lower).

If the Euro had been 10% weaker against the British pound as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €19 thousand lower (September 30, 2023: €0 thousand lower, September 30, 2022: €11 thousand higher).

The currency risk presented in the sensitivity analysis results from the unhedged part of the receivables and liabilities in non-functional currencies, unhedged bank balances or bank liabilities in non-functional currencies or currency risks from embedded derivatives.

7.9.4 Interest Rate Risk

We believe we are only exposed to a minor interest rate risk resulting from cash pooling financed at arm's length with the thyssenkrupp Group. We generally manage interest rate risk by transferring excess liquidity into the thyssenkrupp Group's cash pooling and cash management system on a regular basis. After the Spin-off, our interest rate risk will differ as compared to historical periods due to a number of factors, including thyssenkrupp AG's commitment to a €300 million revolving credit facility to coincide with the Spin-off, with a planned term until September 2028 and options for extension or refinancing. In addition, the thyssenkrupp Group will continue to provide guarantees to our customers, which as at June 30, 2025 amounted to €10,554.6 million, although the terms and conditions of these guarantees have been re-negotiated effective for the fiscal year ending September 30, 2026. Further, we have secured commitments for approximately €2,500 million in bank guarantees, which we expect to cover our guarantee needs until fiscal year 2026/27. We expect further guarantee lines to be available in the future, as needed.

7.10 Significant Accounting Policies and Critical Accounting Estimates

Estimates and assessments that could have a meaningful impact on the Group's results and financial position include: (i) recoverability of goodwill; (ii) other provisions; (iii) revenue recognition from contracts with customers; (iv) income taxes; (v) employee benefits; (vi) legal contingencies; and (vii) uncertainties from geopolitical developments. For a description of our significant accounting policies and critical accounting estimates, see Note 2 "Summary of

significant accounting policies” to the Unaudited Condensed Combined Interim Financial Statements and Note 2 “Summary of significant accounting policies and critical accounting estimates” to the Audited Combined Financial Statements.

7.11 Additional Information from the Audited Unconsolidated Financial Statements Prepared in Accordance with German GAAP for the Fiscal Year Ended September 30, 2024

Our Audited Unconsolidated Financial Statements are prepared in accordance with German GAAP for the fiscal year ended September 30, 2024. Accounting principles under German GAAP differ from IFRS in material respects. For the period from October 1, 2023 to September 30, 2024 our net loss was €1 thousand and our total assets amounted to €25 thousand as at September 30, 2024. For further information on our Audited Unconsolidated Financial Statements, see pages F-105 et seq. of the Prospectus.

8 Profit Estimate

8.1 Profit Estimate of Adjusted EBIT for the period from October 1, 2024 to September 30, 2025, prepared by TKMS AG & Co. KGaA and TKMS GmbH

The profit estimate of Adjusted EBIT (as defined below) for the TKMS Business (as defined below) prepared by the management boards of the general partner (TKMS Management AG) of TKMS AG & Co. KGaA (the “**Company**”) and TKMS GmbH (and together with the Company, the “**Preparing Companies**”) and, together with its combined subsidiaries (the “**TKMS Group**” or “**Group**”) for the period from October 1, 2024 to September 30, 2025 (“**Fiscal Year 2024/2025**”), together with the respective explanatory notes hereinafter referred to as the “**Profit Estimate 2024/2025**”, is not a representation of facts and should therefore not be interpreted as such by prospective investors. The management board of thyssenkrupp AG (together with its consolidated subsidiaries “**thyssenkrupp Group**”) has made the decision to execute a minority spin-off (see below) of its Marine Systems Segment (hereinafter referred to as “**TKMS Business**”). This Profit Estimate 2024/2025 reflects the expectations of the management boards of the general partner (TKMS Management AG) of TKMS AG & Co. KGaA and TKMS GmbH, which are identical, (the “**Management Boards**”) with respect to the Adjusted EBIT of the TKMS Business for the Fiscal Year 2024/2025.

The TKMS Group has not previously operated as a stand-alone company and will not operate as a stand-alone company in the Fiscal Year 2024/2025. Accordingly, the combined financial statements of the Group’s business have been prepared on a carve-out basis from the IFRS consolidated financial statements of thyssenkrupp AG using historical results of operations, assets and liabilities attributable to the Group’s business based on the separation of thyssenkrupp AG Group’s Segment Marine Systems (the “**Spin-off**”). Before completing the Spin-off, a number of legal and organizational preparatory measures had to be implemented. To this end, the foundations for the independent establishment of the new Group were first laid by bundling all companies relating to thyssenkrupp AG’s Segment Marine Systems under TKMS GmbH, with the exception of TKMS Transrapid GmbH (“**TCCT**”), which is a sister company of TKMS GmbH, whose shares will in future both be held by the Company as the new ultimate parent company of the Group, and thus indirectly under the Company as the new parent company of the Segment Marine Systems or newly formed Group. Furthermore, the structure necessary for the Spin-off was created and the stock exchange listing of the Company was prepared by converting the Company into a legal form suitable for access to capital markets. In addition, further measures were taken to set-up thyssenkrupp AG’s Segment Marine Systems as independent in operational and organizational terms. The effectiveness of the Spin-off is expected to be completed on October 17, 2025 upon the registrations of the Spin-off with the relevant commercial registers of thyssenkrupp AG.

The Preparing Companies are in the process of preparing the combined financial statements for the TKMS Business as of and for the Fiscal Year 2024/2025. The Profit Estimate 2024/2025 is based on the Preparing Companies’ unaudited condensed combined interim financial statements of the Group as of and for the nine month period ended June 30, 2025 (the “**Unaudited Condensed Combined Interim Financial Statements**”), and supplemented by the remaining three months of the Fiscal Year 2024/2025 of the Group as follows: Financial information regarding the months July and August 2025 is based on the actual unaudited combined result of these months. Financial information for the month of September 2025 is based on the forecast for this month neither approved by the Management Boards nor audited.

The Group’s activities are divided into three business segments: Submarines (“**Submarines**”), Surface Vessels (“**Surface Vessels**”) and Atlas Electronics as well as the reportable segment “**All Other Segments**”, including the business activities of NXTGEN Engineering and TCCT. The Submarines segment comprises the design, development and manufacture of conventional submarines. The Surface Vessels segment comprises the design, development and construction of multi-mission surface combatants. The Atlas Electronics segment comprises the supply of sensor, command and control, and weapon control solutions to submarines and surface vessels, and the supply of related products and lifecycle services to navies worldwide.

The Profit Estimate 2024/2025 is based on the factors and assumptions about events and actions made by the Management Boards with respect to the development of factors influencing the Adjusted EBIT of the Group, as set out below. These factors and assumptions also relate to factors (i) outside the Preparing Companies' influence or (ii) that can be influenced by the Preparing Companies. Even if the Management Boards consider these factors and assumptions to be reasonable on the date on which the Profit Estimate 2024/2025 is prepared, they may retrospectively prove to be inappropriate or incorrect in the future. If one or more of these factors and assumptions prove to be unjustified or incorrect, the actual Adjusted EBIT of the Group for the Fiscal Year 2024/2025 may deviate materially from the Profit Estimate 2024/2025, respectively. Accordingly, prospective investors should treat this information with caution and should not place undue reliance on the Profit Estimate 2024/2025.

Any forward-looking statements included in the Profit Estimate 2024/2025, are necessarily based on a number of assumptions and estimates about past events and actions, including management's assessment of opportunities and risks. Such assumptions and estimates are inherently subject to significant business, operational, economic and competitive uncertainties and contingencies, many of which are outside the Preparing Companies' influence, and upon assumptions with respect to future business decisions that are subject to change.

8.2 Definition of Adjusted EBIT

The Preparing Companies consider Adjusted EBIT to be a meaningful financial measure in assessing the underlying operational and financial performance of the Group. Adjusted EBIT is defined as income from operations adjusted for expenses relating to the thyssenkrupp Group trademark fee, income / expenses from at-equity valuation, other special items, such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, income from further investments and selected transaction related costs, including but not limited to merger & acquisition related costs as well as transaction costs incurred in connection with capital market transactions.

Adjusted EBIT is an alternative performance measure, or "APM", as defined in the guidelines issued by the European Securities and Markets Authority on October 5, 2015, on alternative performance measures. It is not recognized as a generally accepted accounting principal measure under International Financial Reporting Standard as issued by the International Accounting Standards Board and adopted by the European Union ("IFRS Accounting Standards"). It is not a financial measure based on, or presented in accordance with, IFRS Accounting Standards and should not be considered as an alternative to the financial results or other indicators of the Group's performance based on IFRS Accounting Standards financial measures. In particular, Adjusted EBIT should not be considered as an alternative to earnings before income taxes, cash flow from operating activities or any other performance indicator as an indicator of the Groups' performance or profitability as determined or defined by IFRS Accounting Standards. Adjusted EBIT may not be comparable to similarly titled financial measures as presented by other companies due to differences in the way Adjusted EBIT is calculated. Even though Adjusted EBIT is used by the Management Boards to assess ongoing operating performance as well as earnings and liquidity potential and despite it being commonly used by investors, it has significant limitations as an analytical tool, and it should not be considered in isolation, or as a substitute for, analysis of the Group's results as reported under IFRS Accounting Standards.

The following table provides a reconciliation of Income from operations to Adjusted EBIT:

	Income from operations
+	thyssenkrupp Group trademark fee
+/-	Income / (expense) from at-equity valuation
+/-	Other special items ⁽¹⁾
+	Transaction costs
=	Adjusted EBIT

⁽¹⁾ For the Profit Estimate 2024/2025, other special items consist of losses from disposals, impairment reversals and selected merger & acquisition-related consulting costs.

8.3 Profit Estimate 2024/2025 of Adjusted EBIT

Based on the data recorded in the accounting systems for the TKMS Business and on the current knowledge of the Management Boards about the business development of the TKMS Business for the Fiscal Year 2024/2025 as well as the assumptions of the Management Boards with respect to past events and actions, the Preparing Companies estimate that the Adjusted EBIT of the TKMS Business for the Fiscal Year 2024/2025 is in a range of €100.0 million to €150.0 million.

8.4 Explanatory Notes to the Profit Estimate 2024/2025 of Adjusted EBIT

Basis of Preparation

The Profit Estimate 2024/2025 was prepared in accordance with the principles of the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer in Deutschland e.V.*, “IDW”) IDW Accounting Practice Statement: Preparation of Profit Forecasts and Estimates in Accordance with the Specific Requirements of the Regulation on Prospectuses (*IDW Rechnungslegungshinweis: Erstellung von Gewinnprognosen und -schätzungen nach den besonderen Anforderungen der Prospektverordnung (IDW RH HFA 2.003)*) (IDW AcPS AAB 2.003) issued by the IDW.

Although the Adjusted EBIT is not an IFRS Accounting Standards measure of operating income, operating performance or liquidity, the Profit Estimate 2024/2025 was derived using IFRS Accounting Standards.

With respect to the IFRS Accounting Standards applied, reference is made to the explanatory notes to the unaudited condensed combined interim financial statements of the TKMS Business as of and for the nine months ended June 30, 2025 (the “**Unaudited Condensed Combined Interim Financial Statements**”) and to the notes to the audited combined financial statements of the TKMS Business as of and for the fiscal years ended September 30, 2024, 2023 and 2022 (as defined below), prepared in accordance with IFRS Accounting Standards (the “**Audited Combined Financial Statements**”). The Profit Estimate 2024/2025 has been compiled based on the factors and assumptions stated below and prepared on a basis which is both (i) comparable with the historical financial information included in the Prospectus, and (ii) consistent with the Group’s accounting policies.

The Profit Estimate 2024/2025 is based on the following assumptions made by the Management Boards about transactions and events that have already taken place and have not yet been finally recorded in the Preparing Companies’ accounting records. The Preparing Companies are in the process of preparing its combined financial statements for the Fiscal Year 2024/2025. In the course of preparing such combined financial statements, changes may still occur with regard to matters that have not yet been processed, but also with regard to matters that have already been processed.

The respective financial information for the fiscal year from October 1, 2023, to September 30, 2024 (“**Fiscal Year 2023/2024**”) presented for comparative reasons is based on the figures for Fiscal Year 2023/2024 as presented in the Audited Combined Financial Statements.

In preparing the Profit Estimate 2024/2025, the Preparing Companies have considered several factors relating to the operational and financial performance of the Group. The development of these factors is based on specific assumptions made by the Management Boards, which are set forth below.

8.5 Factors and Assumptions

Factors outside the Preparing Companies' Influence and Related Assumptions

The Profit Estimate 2024/2025 is subject to factors outside the Preparing Companies' influence. These factors and the assumptions regarding their development and impact are described below:

Factor 1: Unforeseen events

Unforeseen events could arise that impose significant or enduring limitations on the Group's ongoing operations. These events may include, but are not limited to, force majeure such as natural disasters (e.g., fires, floods, hurricanes, storms, and earthquakes), acts of war or terrorism or exceptional macroeconomic events. Other potential disruptions include maintenance outages, power or equipment failures, social unrest, work stoppages, and public health issues. This specifically encompasses the geopolitical tensions between Russia and Ukraine, the armed conflicts involving Israel and Hamas, as well as Israel, the United States of America ("US") and Iran and further military tensions in the Middle East and the potential for conflict between the People's Republic of China ("China") and Taiwan.

For the purpose of the Profit Estimate 2024/2025, the Group concludes that no unforeseen events occurred that resulted in material constraints on the operations of the Group.

Factor 2: Legal & regulatory framework

As a global provider of naval defense systems, the Group operates in a highly regulated industry subject to stringent laws and regulations. These laws and regulations include export controls and licensing requirements under laws such as the German Foreign Trade and Payments Act, the German War Weapons Control Act, and similar regulations in other jurisdictions as well as regulations for data protection, environmental protection, competition, taxation, and employment. Legal risks include ongoing litigation, potential fines, and antitrust scrutiny as well as risks in relation to compliance with anti-bribery, anti-corruption and anti-money laundering laws and regulations and economic and trade sanction programs.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that it is in compliance with all material applicable laws, regulations and standards in the countries it operates in. Additionally, for the purpose of the Profit Estimate 2024/2025, the Group estimates that accounting estimates and management judgments in connection with legal proceedings as reported in the Unaudited Condensed Combined Interim Financial Statements remain unchanged and valid for the Fiscal Year 2024/2025.

Factor 3: Global conflicts and global spending on defense budget

As a supplier of submarines, surface vessels, and maritime electronic systems, the Group is heavily dependent on defense spending by its customers, which include governments, government agencies, government-backed institutes and defense alliances, as well as companies that rely on government spending to purchase the Group's products and services. Therefore, the Group is deeply affected by geopolitical tensions, such as the Russia-Ukraine conflict, the armed conflicts involving Israel and Hamas, as well as Israel, the US and Iran and further military tensions in the Middle East and the potential for conflict between China and Taiwan. These conflicts have shifted defense priorities, particularly in Europe, leading to increased defense budgets among North Atlantic Treaty Organization ("NATO") member states and NATO partner nations.

While these developments expand the Group's market opportunities, they also introduce volatility. The reliance on government defense budgets introduces uncertainty, as these budgets are subject to political and economic influences. Changes in defense budgets, political climates, election outcomes or geopolitical conditions have an impact on the Group's sales, order backlog and order intake. Furthermore, budgetary processes and procurement decisions are time-consuming and unpredictable, influenced by national governments' priorities and political changes. Governments might choose to reallocate defense budgets away from naval spending, choose not to proceed with planned programs or prefer competitors' systems, leading to lost tenders for the Group.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that global uncertainty, especially geopolitical tensions between China and Taiwan, the armed conflict between Israel and Hamas as well as the conflict between Russia and Ukraine, and its impact on defense budgets will not have a negative impact on the Group's Profit Estimate 2024/2025 beyond already contracted customer purchase orders and related sales and cost of sales in the Fiscal Year 2024/2025.

Factor 4: Political development

Ongoing diplomatic tensions, military conflicts, and growing protectionism through imposing and threatening to impose tariffs - in particular between the US and China - are creating uncertainty in global trade and financial markets. Recent trade tensions have intensified as the US has imposed or threatened to impose new or higher tariffs on imports from its key trading partners including Mexico, Canada, China, the European Union, Japan, South Korea and others, citing strategic competition and concerns over practices such as trade imbalances and intellectual property issues. While military conflicts may increase demand for the Group's products to some extent, these political developments can negatively affect the Group's business by disrupting supply chains, increasing compliance burdens, and leading to economic downturns. Rising demands for local content, and the need to establish local subsidiaries could increase the Group's costs and complexity, with no guarantee of success. In addition, protectionist trends might result in market access barriers, such as higher tariffs or more complicated certification processes in order to reduce imports, up to an international trade war. The Group's operation depends long-term rather than short-term on this political development.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that the political development in countries most relevant to the operations as well as tariffs remain unchanged compared to the Fiscal Year 2023/2024 and therefore will not have a material negative impact on the Group's operations in the Fiscal Year 2024/2025.

Factor 5: Workforce (Dependency on highly qualified personnel)

The Group depends on a skilled workforce to maintain its competitive edge in the naval defense industry, which demands very specific expertise, with a direct impact on the Group's result. Especially engineering is a significant part of the Group's projects, which require highly qualified personnel. A lack of highly qualified personnel directly influences the Group's result as production cannot be ramped up and therefore, sales cannot be recognized.

The Group experiences challenges, as they have to offer attractive compensation packages and career development opportunities to hire and retain qualified personnel. The labor markets in countries where the Group operates are characterized by intense competition for qualified personnel.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that it hires and retains a sufficient number of highly qualified personnel for its operations to perform its contractual obligations and to process its order backlog.

Factor 6: Supply chain constraints and supplier dependency

Supply chain disruptions are considered a significant risk in the Group's industry. The Group's supply and delivery chains may face risks from disruptions caused by factors like geopolitical conflicts (e.g., the conflict between Russia and Ukraine or attacks by the Houthis on international shipping routes in the red sea), labor strikes, supplier insolvencies, quality issues, and reliance on single-source suppliers. These disruptions can delay production, increase inventory, and strain cash flow. Additional challenges include tariffs, export controls, import restrictions, natural disasters, and shipping route attacks. Shortages of components or raw materials may cause backlogs and interrupted operations. Delivery delays can lead to customer penalties and extra costs, potentially harming the Group's financial performance and operations.

The Group relies on third-party suppliers for components and faces risks from price increases due to inflation and other factors. In some cases, the Group depends heavily on limited or single suppliers, making it vulnerable if

suppliers reduce output or discontinue components. Therefore, the Group faces the risk of struggling to find alternative suppliers that can provide necessary components in the required quantity, quality, and timely manner.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that supply chain constraints will not have a negative impact on the Group's operations in the Fiscal Year 2024/2025 as components are available as necessary to process the orders and the supply of components is in time and of adequate quality, as well as its relationships with its suppliers remain unchanged.

Factor 7: Dependency on joint venture and cooperation partners

The TKMS GmbH engages in joint ventures and cooperations with other companies, such as the Group's joint venture kta Naval Systems As in Norway, as well as the Group's cooperations such as those with Italian Fincantieri S.p.A., the German Naval Vessels Lürssen Group and Mazagon Dock Shipbuilders Limited in India to develop and sell certain products in these markets. While these arrangements can offer strategic benefits, shared control and risks may also expose the Group to specific risks, such as unanticipated liabilities, requirements to provide equity contributions, cash flow delays, financial losses, and reputational risks, especially when partners underperform or the Group must accept unfavorable decisions against their own interests. In addition, the Group might be forced to exit a cooperation, consortium or joint venture, which can be complex, costly and may require sharing proprietary technology.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that the relationships with the joint venture and cooperation partners remain strong and reliable as well as unchanged compared to the Fiscal Year 2023/2024 and will not have a negative impact on the Profit Estimate 2024/2025.

Factor 8: Exchange rate fluctuations

The Group operates in multiple currencies, exposing it to foreign currency risks when transactions and future cash flows occur in currencies other than its functional currency Euro ("EUR"). The Group primarily faces exposure to the Brazilian Real ("BRL"), Indian rupee ("INR"), British pound ("GBP"), South Korean won ("KRW"), Norwegian krone ("NOK") and US Dollar ("USD"). Fluctuations in these exchange rates can increase or decrease the euro-equivalent value of the Group's income, costs, assets, and liabilities denominated in foreign currencies. A significant appreciation of the EUR against other major currencies could adversely affect the Group's results of operations.

For the purpose of the Profit Estimate 2024/2025, the Group applied the following average currency rates for its primary foreign currency exposure in the Fiscal Year 2024/2025:

Currency rate	For the Fiscal Year 2024/2025:
BRL/EUR	6.30
INR/EUR	94.28
GBP/EUR	0.84
KRW/EUR	1,549.02
NOK/EUR	11.73
USD/EUR	1.10

For the purpose of the Profit Estimate 2024/2025, the Group estimates that BRL/EUR is the most relevant to the Group's operations.

Factor 9: IT-Infrastructure

The Group relies heavily on centralized IT systems to support its operations, especially due to heightened security requirements in the defense sector. These systems may face risks such as cyber-attacks, data breaches, system failures, and insider threats. Despite existing safeguards, the Group has experienced attempted breaches and insider misconduct in the past, and the threat landscape continues to evolve due to increasing global cyber-crime and rising geopolitical tensions. Any failure or compromise of IT systems could lead to operational disruptions, data loss, reputational damage, legal consequences, and financial loss.

In Fiscal Year 2024/2025, the Group has not faced any cyber-attacks, that resulted in material data breaches, system failures and insider threats and therefore maintained a reliable IT infrastructure, with no significant failures.

Therefore, for the purpose of the Profit Estimate 2024/2025, the Group estimates no negative impact on the Profit Estimate 2024/2025.

Factors That Can Be Influenced by the Preparing Companies and Related Assumptions

In addition to the factors and assumptions that are outside the Preparing Companies' influence, the Profit Estimate 2024/2025 is subject to factors that can be influenced by the Preparing Companies. These factors, and the assumptions taken about their impact, based on the Unaudited Condensed Combined Interim Financial Statements and supplemented by the Group's actual unaudited combined result for the months July and August 2025, as well as the forecasted financial information for the month of September 2025, are described below:

Factor 10: Sales

Sales of the Group are generated through the business segments Submarines, Surface Vessels and Atlas Electronics, as well as the reportable segment All Other Segments, mainly offering a product portfolio comprised of conventional submarines, mid-size surface vessels and naval electronics and software systems.

Sales are derived from the Group's order backlog and order intake. The order intake refers to binding customer contracts and binding purchase orders concluded in the respective reporting period at the respective contract price, including expected fixed price escalations agreed over the respective contract term but excluding variable price escalations which are only considered in the reporting period in which variable price escalations amounts are billed to the customers ("**Order Intake**"). The order backlog represents the portion of the associated contract price reflected in Order Intake for which the amount of revenue has not yet been recognized over time in accordance with IFRS 15 ("**Order Backlog**"). The Group's sales are mainly derived from the Group's fixed Order Backlog, rather than the Order Intake.

Submarines Segment

Sales of the Submarines segment primarily comprise the construction and delivery of submarines as well as maintenance and other life-cycle services to the customers. The construction of submarines is often tailored to the demanding specifications and operational requirements, as well as the operating budgets of each customer. Life-cycle services encompass services regarding maintenance, repair and overhaul activities on a rolling basis, larger overhauls every two to five years and modernization covering midlife refits, lifetime extensions and smaller systems upgrades.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that sales in the Submarines segment considerably increase compared to Fiscal Year 2023/2024, mainly due to increasing manufacturing activities, and the respective revenue recognition, related to two high-volume projects, as these are in the earlier stages of their respective project lifecycles.

Surface Vessels Segment

Sales of the Surface Vessels segment primarily comprise the sale of multi-mission surface combatants, consisting of the warship portfolio and special purpose vessels for non-military requirements. In addition, the Surface Vessels segment provides maintenance and technical support services as well as training programs and integrated logistics support.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that sales in the Surface Vessels segment considerably decrease compared to Fiscal Year 2023/2024, mainly due to a large volume of multi-year projects already advancing to later stages in their respective project lifecycles and subsequent lower relative progress made compared to Fiscal Year 2023/2024, being partially offset by a project getting closer to the first expected deliveries and a related increase in manufacturing activities.

Atlas Electronics Segment

Sales of the Atlas Electronics segment mainly comprise the supply of sensor, command and control and weapon control solutions to submarines and surface vessels, and the supply of related products and lifecycle services such as maintenance, training programs and integrated logistics support to military worldwide.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that sales in the Atlas Electronics segment considerably increase compared to Fiscal Year 2023/2024, mainly due to increased sales related to various solutions, especially driven by higher contributions of the product group vessel systems, as well as a positive contribution of regional sales in the United Kingdom.

All Other Segments

Sales of the All Other Segments comprise all other business activities, including but not limited to NXTGEN Engineering and TCCT. Within All Other Segments, the Group develops and markets certain products to commercial customers through NXTGEN Engineering business and provides data analytics and AI solutions with both military and commercial applications through TCCT.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that sales in All Other Segments significantly increase compared to Fiscal Year 2023/2024, mainly due to an increase in revenue from TCCT in the area of specialized engineering services.

Group

For the purpose of the Profit Estimate 2024/2025, the Group estimates that sales moderately increase compared to the Fiscal Year 2023/2024. The increase is primarily driven by growth in the Submarines segment through production progress made in early-stage projects and new projects from order backlog. Moreover, the Group estimates that growth within the Atlas Electronics segment will result from an increase in external sales of various solutions, such as sonars, sensors, command and control systems, naval weapons and communication systems. The sales increase is partially offset by lower sales in the Surface Vessels segment.

Factor 11: Cost of Sales

Cost of sales includes the engineering, purchase and production costs incurred to generate the sales. In addition to direct material costs, procurement and construction services, cost of sales includes non-staff overheads and personnel costs, which represent the majority of cost of sales. Cost of sales also includes project and non-project-related indirect costs, including depreciation and amortization and warranty costs.

As of and for the nine-month period ended June 30, 2025, cost of sales as a percentage of sales amounted to 82.7%. For the Fiscal Year 2024/2025, the Group estimates that cost of sales as a percentage of sales remains stable compared to the ratio as of and for the nine-month period ended June 30, 2025. For the purpose of the Profit Estimate 2024/2025,

as a percentage of sales, the Group estimates that cost of sales slightly decrease compared to the Fiscal Year 2023/2024, mainly due to less legacy and more new projects with higher margins in the Submarines segment and the resulting relative decrease in cost of sales.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that cost of sales moderately increase compared to the Fiscal Year 2023/2024, mainly due to higher sales in the Submarines segment and Atlas Electronics segment, higher costs related to the project progress, higher personnel-related expenses, which specifically relate to wage increases and one-off payments, and higher inventory write-offs in Fiscal Year 2024/2025 compared to Fiscal Year 2023/2024, being offset by lower provisions for pensions/employee benefits and ongoing efficiency improvements.

Factor 12: Research and development cost

Research and development (“**R&D**”) cost includes expenses in connection with research and development activities not eligible for capitalization and other costs related to the functional area of research and development. Research costs are expensed as incurred. Results from research activities are used to initiate, plan and execute development projects.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that research and development costs considerably increase compared to the Fiscal Year 2023/2024, mainly due to higher research and development costs related to a project within the Submarines segment entering the production phase and a related increase in production expenses, as well as higher project expenses within the Surface Vessels segment related to a sales project.

Factor 13: Selling expenses

Selling expenses include personnel, service and material costs related to the business development and sales process, particularly the preparation of any plant projects or service order proposals, including marketing and other costs related to the functional area of sales.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that selling expenses considerably increase compared to the Fiscal Year 2023/2024, mainly due to higher project costs, primarily related to marketing and sales efforts for projects in the Submarines and Atlas Electronics segments, increased personnel expenses, as well as higher overhead costs in preparation of becoming stand-alone related to the Group’s new brand launch, partially offset by lower project costs for service offerings in the Submarines segment and lower valuation allowances for trade receivables and contract assets.

Factor 14: General and administrative expenses

General and administrative expenses include costs incurred in operating and administering the business and consist primarily of expenses for salaries of non-project-related personnel and headquarters expenses and other costs related to the functional area of general administration.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that general and administrative expenses significantly increase compared to the Fiscal Year 2023/2024, mainly due to personnel-related expenses arising from wage increases under collective bargaining agreements. Additionally, a change in the presentation of personnel costs related to the Atlas Electronics segment from cost of sales to general and administrative expenses, as well as the expansion of workforce capacity and increases in consulting fees, both primarily related to the Spin-Off, impact the general and administrative expenses.

Factor 15: Other income/expenses

Other income includes all operating income which is not included in or attributable to sales and is comprised of foreign exchange gains, (see “*Factor 8: Exchange rate fluctuations*”) government grants, income from derivatives not qualifying for hedge accounting and other miscellaneous income. Other expenses include all operating expenses

which are not included in or attributable to the functional categories and comprise foreign exchange losses (see “*Factor 8: Exchange rate fluctuations*”), thyssenkrupp Group trademark fees, losses from disposals and other miscellaneous expenses.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that other income/expenses significantly change compared to the Fiscal Year 2023/2024, changing from an expense (net) to an income (net) position, mainly due to gains from government grants related to the Group’s R&D activities, partially offset by one-off effects related to an arbitral court’s settlement.

Factor 16: Adjustments to EBIT

Adjustments to EBIT primarily consist of expenses relating to the thyssenkrupp Group trademark fee, income/expense from at-equity valuation, other special items, such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, income from further investments and selected transaction-related costs including but not limited to merger & acquisition costs, as well as transaction costs incurred in connection with capital market transactions. Adjustments to EBIT in the Fiscal Year 2024/2025 primarily relate to general and administrative expenses (e.g., transaction costs and gains or losses from disposals, see “*Factor 14: General and administrative expenses*”) and other income/expenses (e.g., the thyssenkrupp Group trademark fee, transaction costs relating to capital market transactions and impairment losses, see “*Factor 15: Other income/expenses*”), as well as additional adjustments related to income/expense from at-equity valuation and income from further investments.

For the purpose of the Profit Estimate 2024/2025, the Group estimates that adjustments to EBIT significantly increase compared to the Fiscal Year 2023/2024 mainly due to transaction costs relating to the capital market transactions, especially related advisory fees.

8.6 Other Explanatory Notes

The Profit Estimate 2024/2025 does not take into account any extraordinary events, or results from non-recurring activities within the meaning of IDW Accounting Practice Statement (*IDW AcPS AAB 2.003*), except where explicitly stated otherwise in the explanatory notes above.

As the Profit Estimate 2024/2025 is based on several assumptions and estimates about uncertain events and actions in the past and future respectively, both inherently involve significant uncertainties. Because of these uncertainties, it is possible that the Group’s actual Adjusted EBIT for the Fiscal Year 2024/2025 may deviate from the Profit Estimate 2024/2025, even substantially.

This Profit Estimate 2024/2025 was prepared solely for the inclusion in this Prospectus and represents the best estimates of the Management Boards as of October 9, 2025 and is still valid as of the date of this Prospectus.

9 Markets and Competition

The market and industry data in this section are based on market research and other publicly available information as well as reports by independent industry sources. Certain statements are based on our own proprietary information, insights, opinions or estimates, and not on any third-party or independent source; these statements contain words such as we “believe”, “expect”, “consider” and “estimate” or are cited as “(source: Company information)” and as such do not purport to cite or summarize any third-party or independent source and should not be read this way.

Except otherwise indicated, the information contained in this chapter are based on the company’s assessment. In preparing the Prospectus, the sources cited under “2.6 Sources of Market Data and Other Information from Third Parties” were used.

9.1 Relevant Market

The Group operates as a fully integrated² system supplier for naval solutions. Our product offering spans conventional submarines, mid-size surface vessels, and naval software and electronics - all supported by comprehensive in-life services. Our core end market is the naval defense market that accounted for close to 100% of our revenue in the fiscal year ending September 30, 2024. We serve both as designers, engineers, manufacturer and providers of after-sales services for submarines and surface vessels for our end-users (governments) and as a supplier of naval electronics and software technologies to system integrators and end-users.

Overall, the Group is active in the full naval shipbuilding value chain from design, development and production of naval platforms through to the engineering and integration of command & control and weapon deployment systems as well as lifecycle spare parts provision, data-driven support services and large-scale midlife conversions. Within the submarine segment, we offer full in-house coverage from design to in-service support. We also serve selected customers through material packages enabling local assembly by partners. In the Surface Vessels segment, we operate globally as a large system integrator with a high share of external partners and suppliers. Our core competencies lie in design, engineering and system agnostic integration for new-built and midlife-upgrade programs. In the electronics segment, we seek to maintain a high internal value creation for end-products with minimal reliance on construction partnerships. The service business focuses primarily on spare parts rather than maintenance services. Revenue from services is recurring over the lifecycle of platforms that are operated on average for more than 40 years.

We define our attainable market as all countries with relevant naval activity that are not subject to an arms embargo by the EU, the UN, or the US and offer a realistic potential (this excludes markets with national champions in the respective segment as well as categories not relevant to us, e.g., aircraft carriers or nuclear submarines). In particular, we are a key supplier and outfitter of the German Navy (*Deutsche Marine*) and the navies of other NATO member states, such as Norway and Italy, as well as numerous NATO global partners and major non-NATO allies, such as Australia, Brazil, Israel and South Korea. In total, we are a supplier to the navies of more than 50 countries worldwide, including Singapore and India.

In addition, we develop and market certain of our products to commercial customers through our NXTGEN Engineering and are able to provide data analytics, artificial intelligence and engineering solutions with both military and commercial applications through the standalone entity TCCT.

9.2 Global Trends and Market Drivers

9.2.1 Accelerating Geopolitical Tensions and Increasing Importance of Naval Domain

Geopolitical tensions are on the rise, with the number of active state-based conflicts increasing from 31 to 59 between 2010 and 2023 (*source: Uppsala Conflict Data Program*). As the world enters a period of heightened global

² Based on a comprehensive portfolio offering including conventional submarines (including diesel-electric and AIP systems), mid-size surface vessels (e.g., frigates, corvettes, destroyers), electronic systems (including sonar and sensor systems, torpedoes, uncrewed vehicles, naval communications systems and combat management systems), software and services.

uncertainty, we observe that the need to defend national sovereignty and safeguard critical infrastructure has become more urgent again.

Naval areas with high tension include Europe, the Indo-Pacific, the Arctic, and the Red Sea - areas that are vital to global trade. Alongside traditional threats, nations are increasingly experiencing hybrid and asymmetric attacks targeting maritime infrastructure and strategic choke points, such as ports, undersea cables, and shipping routes. We perceive that the evolving security challenges are driving a renewed focus on naval readiness leading countries to rearm, to expand capabilities, and to modernize their naval forces.

Western countries are adapting and modernizing their naval doctrines. For the future, we observe that the focus is on an expansion of the capabilities to integrate autonomous platforms, to leverage AI in weapon systems, and to perform multi-domain. To realize the changing doctrines, we expect countries to upgrade their naval capabilities driving demand for naval platform and systems.

9.2.2 Defense Spending

Reflecting the increase in geopolitical tensions, global military expenditure has experienced a real growth of 9% and reached \$2,718 billion in 2024, marking the highest annual increase since the end of the Cold War (*source: SIPRI*). While this growth covers all five world regions and continues a decade-long upward trend, for the coming years another increase is expected as countries have committed to raise military spending further (*source: SIPRI*).

We believe that the European region is particularly well-poised to lead this market expansion. Decades of underinvestment since 1992 have resulted in a so-called “peace dividend” of €1,400 to €7,300 billion for NATO Europe (*source: McKinsey & Company A*). This went along a significant reduction in naval equipment inventory, for example the number of large surface-combatants fell by 39% and submarines by 45% for selected European countries (Finland, France, Germany, Greece, Italy, the Netherlands, Poland, Spain and Sweden) since 1992 (*source: Munich Security Conference*).

During the NATO Summit in The Hague in June 2025, NATO adopted a target of 3.5% of GDP for defense spending and of 1.5% of GDP for complementary capabilities by 2035 (*source: NATO Declaration*). We believe that this commitment provides guidance over spending plans suggesting that European NATO members will have substantial funds available to strengthen their defense capabilities.

The annual defense budgets of European NATO member states are expected to increase at a CAGR of 11% from €435 billion in 2024 to €800 billion (2.9% of GDP) in 2030 and could potentially reach €970 billion (3.6% of GDP) in 2030 (*source: McKinsey & Company C*). This could result in a potential cumulative budget increase of up to €1,740 billion between 2025 and 2030 (*source: McKinsey & Company C*). By comparison, US and Canadian defense spending is expected to grow more modestly at a CAGR of 2% from 2024 to 2030 (*source: McKinsey & Company C*). As a disproportionate share of the additional funds is expected to be employed for procuring new equipment, the CAGR for European NATO military equipment is projected to be 16% between 2024 and 2030 (*source: McKinsey & Company C*).

9.3 Attainable market for the Group

The total global naval defense spending is forecasted to grow from €78 billion in 2024 to approximately €135 billion by 2033, representing a CAGR of 6% (*source: McKinsey & Company B*), where we converted the total market size of €100 billion in 2033 into nominal values for consistency with the Company’s pipeline based on the assumption of a defense price inflation of 3% per year and included an uplift of €4 billion to reflect the uplift of European defense budgets announced in 2025. Within this expanding market, we operate at the forefront of a distinct, attainable segment that we project to achieve a higher CAGR of 8% over the same period, reaching a forecasted attainable market size of €61 billion by 2033.

The figure for the attainable market is derived from the naval domain spend within national defense budgets. Our attainable market includes the following products: conventional submarines, frigates, corvettes, mine warfare,

offshore patrol vessels, destroyers, and naval electronics. Additionally, our attainable market excludes all sanctioned countries (China, Cuba, Eritrea, Iran, Libya, Myanmar, North Korea, Russia, Syria, Venezuela) and countries with existing national champions that are set for certain program (e.g., Naval Group for submarines in France). This logic differentiates between segments (e.g., US is not attainable for submarines but for Atlas Electronics), resulting in 57 core attainable countries for the Group plus 4 countries only partially attainable to the segment Atlas Electronic, which are in scope of our attainable market.

We consider the attainable market to be highly resilient due to product longevity and purchasing decisions. Submarines and surface vessels are viewed as strategic assets with typical operational service lives exceeding 40 years and the versatility to be deployed across a range of peer-to-peer and hybrid mission profiles. Purchasing decisions are shaped by deep relationships with governmental customers, where the sensitivity and visibility of contracts place a premium on trust. This fosters recurring revenue both through services and through repeated sales of new equipment. We believe that the market is driven by a strong and peace-resilient demand, maintaining a stable baseload of orders that is augmented by situational uplifts during periods of rising insecurity. We experience that a substantial share of future revenues is secured through existing long-term contracts, reinforcing the market's predictability and stability.

9.3.1 Segment Opportunities and Growth Drivers

We regard the growing demand across both the Submarines and Surface Vessels segments to be a notable aspect of our attainable market, as well as the emerging opportunities in naval electronics and software as changing naval doctrines drive the need to upgrade naval capabilities. We believe that our comprehensive and modern product portfolio across all three segments provides us with a competitive edge in a landscape becoming increasingly more sophisticated in its requirements. Driven by an overall expected CAGR of 8%, we expect our attainable market to double by 2033, with high growth rates for all segments.

Submarines: We notice that with demand driven largely by the rebuilding and modernization of naval fleets, heightened naval threats are encouraging many nations to reintroduce or expand their submarine holdings. We project the attainable market size for our Submarines segment to grow from approximately €5 billion in 2024 to approximately €9 billion in 2033, representing a CAGR of 8%, which we believe underscores the continued importance of submarines in modern and future naval strategies. In real terms, this is in line with the projected growth for the submarine market overall (*source McKinsey & Company B*).

Surface Vessels: Driven by fleet renewals and investments in adaptability and modularity as navies around the world seek to grow and replace their aging surface fleets, we expect that the attainable market for our Surface Vessels segment is to expand from approximately €14 billion in 2024 to approximately €23 billion by 2033, growing at a 6% CAGR. We believe to be well-positioned to address this trend with our MEKO[®] family of vessels (for more details see “10.4.2.1 Our MEKO[®] Design Philosophy”), offering scalability, adaptability and lead times of less than 38 months for first-in-class delivery. In real terms, the expected growth rate is in line with the projected growth for the surface vessel market overall (*source McKinsey & Company B*).

Atlas Electronics: We expect the most significant growth in our Atlas Electronics segment, where demand for advanced systems such as sonar solutions, integrated communications and autonomous systems is projected to drive the market from approximately €12 billion in 2024 to approximately €29 billion by 2033. This growth is split between naval electronics and software for surface vessels (projected to increase at a 9% CAGR from approximately €10 billion in 2024 to approximately €22 billion in 2033) and naval electronics and software for submarines (projected to increase at a 12% CAGR from approximately €2 billion in 2024 to approximately €7 billion by 2033). This is in line with double-digit growth of the European naval equipment market, where naval electronics is expected to capture an increasing share (*source: McKinsey and Company C*).

9.4 Competitive Positioning

We are of the opinion that we have established a leading competitive position across our portfolio. For conventional submarines, the Company has delivered most new submarines in its attainable markets for the period 2015 to 2024 (*source: Company information*). Our submarines are operated by 20 countries. For surface vessels, the Company is among the top three providers of mid-size naval surface vessels delivered to its attainable markets for the period 2015 to 2024; including corvettes, frigates and destroyers, as well as certain vessel categories outside our current product portfolio, i.e., mine warfare ships and offshore patrol vessels (*source: Company information*). Our surface vessels are operated by 16 countries. In naval electronics, we believe to have a strong position with end-to-end sensor-to-shooter architecture for conventional submarines, further we consider ourselves to be technological frontrunners in sonar and acoustics. Our segment Atlas Electronics serves customers in 40 countries around the globe.

The competitive landscape varies significantly depending on the market. The Company's main competitors originate from NATO member states and their partners, and the Company faces them both inside these markets and outside. In certain regions outside NATO and its partners, the list of competitors can expand to state-backed players from Russia or China. For some countries, market access is effectively closed due to the presence of a national champion such as Naval Group in France or Saab in Sweden.

More specifically, the Company faces a diverse range of competitors across different market segments. In the Submarines market, the Naval Group (France) and Hanwha Ocean (South Korea) are the most established competitors, while Saab (Sweden), Fincantieri (Italy) and Navantia (Spain) have not yet sold their latest-generation of submarines internationally.

In contrast, the Surface Vessels market has a broader range of players, each holding a smaller market share. Key competitors include BAE Systems (UK), Fincantieri; Damen (the Netherlands); and Babcock (UK). These companies offer vessels comparable in size to those of the Group, while some also cover a wider range of ships, such as amphibious warships and aircraft carriers.

The Atlas Electronics market is even more fragmented. Competitors here include full-suite integrators such as Thales, Leonardo, Saab and BAE Systems, as well as specialized providers like Ultra, Indra and Hensoldt. Major U.S. defense firms — Lockheed Martin, Raytheon, and L3 Harris — also compete in this space.

The Group is distinguished by its near complete focus on naval defense, whereas most competitors operate in broader sectors with considerable exposure to civilian industries or other defense domains.

9.5 Technology Trends

Based on our in-house electronics capabilities, technology transfer from crewed to autonomous platforms, and expertise in data analytics with proprietary data access, we consider the Company to be well-positioned to lead the future of naval innovation and shape the naval battlefield of the future. We expect that four technology trends shape the naval battlefield of the future.

9.5.1 Availability Enhancement Through Prescriptive Maintenance

We perceive mission readiness to be a critical challenge for Western navies, especially as many fleets consist of aging platforms after decades of underinvestment. As countries prepare for potential near-term conflicts, they are not only investing in new naval assets but are also seeking solutions to improve the availability and performance of their existing assets in inventory.

Prescriptive maintenance - powered by real-time data, advanced diagnostics, and AI - not only anticipates system failures but also recommends or automates the best corrective actions to prevent them. This approach can significantly increase platform availability and optimize maintenance schedules.

This is particularly important for autonomous uncrewed systems as they are expected to operate over extended duration and require a high degree of reliability. Similarly, increasing automation of platforms with smaller crew

sizes requires optimized and data-driven maintenance to ensure operational readiness and to minimize unplanned downtime. In both cases, prescriptive maintenance is a key enabler of mission success.

9.5.2 Autonomous Uncrewed Sensors and Systems

We consider autonomous uncrewed platforms to play a central role in future naval operations. These systems - including uncrewed surface vessels (“USV”), uncrewed underwater vehicles (“UUV”), aerial drones, and distributed sensor arrays – are expected to operate in close coordination with crewed platforms to execute a wide range of complex missions, including mine countermeasures, anti-submarine warfare, intelligence gathering, strike missions, and electronic warfare.

Autonomous systems may contribute to safeguarding undersea infrastructure like communication cables and energy pipelines. By enabling persistent surveillance, real-time reconnaissance, and rapid situational awareness, they extend the reach and responsiveness of naval forces. Critically, they also reduce operational risk for soldiers and crewed platforms by taking on tasks in high-threat environments.

Integrating autonomous systems into naval forces does not only expand capabilities but also shifts the focus from individual platforms to distributed and interconnected systems capable of coordinated and multi-domain operations.

9.5.3 Evolution and Automation of Crewed Platforms

We expect crewed naval platforms to undergo significant transformation as they become smarter, more automated and deeply integrated within the broader network. On the future naval battlefield, crewed ships and submarines are expected to serve as central command nodes, coordinating uncrewed systems in real time, managing distributed assets, and contributing directly to multi-domain operations.

Crewed platforms are increasingly being designed to act as launch and recovery hubs for drones and payloads, functioning as motherships in hybrid crewed-uncrewed task groups. With embedded edge computing and secure communications, they will potentially be able to process and act on data locally improving responsiveness in contested environments.

Importantly, we perceive this evolution to preserve the strategic value of crewed assets while future-proofing them through software-defined capabilities and modular upgrades. As warfare shifts towards more distributed, high-speed, and data-driven operations, crewed platforms are expected to remain central in the naval domain.

9.5.4 AI-Based Orchestration and Multi-Domain Operations

We believe that effective operations on the future battlefield will be dependent on the orchestration of assets across all domains, sea, air, space, cyber and land. To be part of this network, naval systems will need to be highly interoperable, i.e. capable of collecting, processing, and acting on real-time intelligence from diverse sources, domains and allies.

AI is expected to be the critical enabler of this integration, managing large amounts of data, accelerating decision-making, and coordinating platforms automatically. AI allows for faster threat detection, smarter resource deployment, and the automation of complex tasks that would overwhelm human operators alone.

We expect that in multi-domain operations capabilities from different environments are used together to create combined effects. By shifting from platform-centric to effects-based, networked operations, navies can potentially generate greater operational impact.

10 Business

10.1 Overview

We are one of the world's leaders in the naval defense sector (*source: Company information*), with more than 9,100 employees (including temporary agency workers) across three shipyards in Kiel and Wismar, Germany and Itajaí, Brazil, major corporate offices, including engineering centers and R&D facilities in Bremen, Hamburg and Emden, Germany and major domestic and international subsidiaries including in Flintbek, Germany and Dorset, United Kingdom, as well as further offices and operating sites worldwide. As the only supplier of conventional (non-nuclear) submarines in Germany, a major supplier of naval surface vessels and, through Atlas Electronics, a key European player in end-to-end naval warfare capabilities (*source: Company information*), we believe we are well placed to offer the full range of naval shipbuilding services from design, development, systems integration and production of naval platforms and vehicles through to the engineering and integration of command & control and weapons deployment systems.

We are a key supplier and outfitter of naval platforms and equipment, including lifecycle maintenance, overhaul and upgrade services, within our attainable market. We define our attainable market as all countries with relevant naval activity that are not subject to an arms embargo by the EU, the UN or the US and offer a realistic potential (this excludes markets with national champions in the respective segment and categories not relevant to us, e.g., aircraft carriers or nuclear submarines). In particular, we are a key supplier and outfitter of the German Navy (*Deutsche Marine*) and the navies of other NATO member states, such as Norway and Italy, as well as numerous NATO global partners and major non-NATO allies, such as Australia, Brazil, Israel and South Korea. In total, we are a supplier to the navies of more than 50 countries worldwide, including the Singapore and India. In addition, we develop and market certain of our products to commercial customers through our NXTGEN Engineering business and, through TCCT, we seek to expand our AI activities. In total, we have supplied more than 325 vessels since 1960, which have accumulated more than 10,000 total years of operation (estimated cumulative years of operation of all vessels sold for both our Submarines and Surface Vessels segments; *source: Company information*).

Long-term contracts, together with recurring sales streams from the aftermarket services for our products, provide us with a high degree of sales visibility. For the fiscal year ended September 30, 2024, we generated sales of €1,986.6 million and a gross margin of €313.1 million. As at June 30, 2025, our total Order Backlog amounted to €18,558.8 million.

We operate our business primarily through three operating segments: Submarines, Surface Vessels and Atlas Electronics, each with respective services businesses:

Submarines. We are the leading supplier of conventional submarines within our attainable market (based on 2015-2024 deliveries of new conventional submarines (*source: Company information*)) and we consider ourselves to be a world leader in the design, development and manufacture of conventional submarines. From our shipyards in Kiel and, going forward, from our recently acquired shipyard in Wismar, Germany, and in certain cases from the local shipyards of our in-country partners, we are specialized in the construction and delivery of multiple classes of advanced submarines. As at June 30, 2025, our shipyards (including partner shipyards) had produced 97 submarines that were in active service across 20 navies as of that date (*source: Company information*). As of the same date, we had an additional 27 submarines in Order Backlog.

Surface Vessels. We are a top three provider of mid-size naval surface vessels (based on 2015-2024 deliveries of new surface vessels (including corvettes, frigates and destroyers, as well as certain vessel categories outside our current product portfolio, i.e., mine warfare ships and offshore patrol vessels)) within our attainable market (*source: Company information*) and a large system integrator specialized in the design, development, systems integration and construction of multi-mission surface combatants tailored to meet the diverse and demanding operational requirements of navies worldwide. We design our surface vessels around our renowned MEKO® design philosophy,

which focuses on the flexible configuration of our warships at the design phase as well as the streamlined exchange or integration of new systems to enhance our warships' capabilities during the operational phase. With MEKO® modularity, we utilize a highly scalable unified platform base to construct customized warships designed to support a range of mission profiles, integrate systems from a variety of third-party manufacturers to meet specific government and localization requirements and efficiently develop new vessel designs to meet future operational needs.

We are also developing uncrewed surface vessel systems, such as the MEKO® S-X, and design and build special purpose vessels, such as the New Polarstern, a large research vessel, to support our customers' non-military requirements. As at June 30, 2025, our shipyard in Itajaí, Brazil as well as the local shipyards of our various German and international partners had delivered 84 surface vessels (including 59 MEKO® vessels and 25 additional ships from mainly German customer designs) that were in active service across 16 navies as of that date (source: *Company information*). Notably, 59 of our 62 MEKO® series of warships delivered since 1982 are still in active service. As at June 30, 2025, we had an additional 11 surface vessels in Order Backlog. In addition to our shipyards, which serve or will serve as our primary construction sites, our corporate offices including engineering and R&D facilities are located in Hamburg and Emden, Germany.

Atlas Electronics. Through Atlas Electronics, with primary locations in Bremen, Wedel and Flintbek, Germany and Dorset, United Kingdom, we are a global supplier with a strong position in integrated sonar systems (source: *Company information*). Going forward, we aim to play a leading role in the development of next-generation naval systems. We are a global supplier to over 40 navies and specialize in equipping submarines and surface combatants with integrated sensor, command & control, and weapon control systems. We also provide a comprehensive product portfolio encompassing naval weapon systems, communications, maritime security solutions, mine warfare ("MW"), anti-submarine warfare ("ASW") and uncrewed vehicles, as well as comprehensive lifecycle support and logistical services.

10.2 Investment Highlights

In our attainable market, we are a leading producer of conventional submarines, a top three provider of mid-size naval surface vessels and a key European player in end-to-end naval warfare capabilities (source: *Company information*). We believe we are also a leader in naval innovation, aiming to shape the future of naval warfare development while maintaining the performance and reputation that have established us as a "maritime powerhouse." As governments in Europe and around the world increase their defense budgets to address growing geopolitical tensions, we are striving to grow and strengthen our position as a premier manufacturer of naval weapon systems. To realize this objective, we intend to leverage our many competitive advantages, including a large and sustainably growing attainable market, comprehensive integrated maritime solutions across submarines, surface vessels and electronic systems and software, technological leadership through advanced innovation and R&D capabilities, a robust Order Backlog and a strong financial profile backed by long-standing, trusted customer relationships.

10.2.1 Large and Sustainably Growing Attainable Market, with Additional Uplift from European Defense Budget Expansion

In recent years, rising geopolitical tensions and the growing prevalence of hybrid threats to maritime infrastructure have highlighted the increasing need for investment in maritime defense. Governments around the world are determined to protect their sovereignty, secure trade routes and safeguard critical infrastructure and industries. As maritime security takes on greater significance, many governments are allocating significant resources towards modernizing their naval fleets, strengthening their maritime defense capabilities and achieving multi-domain operational readiness. This shift has subsequently increased the importance of maritime defense within the larger scheme of geopolitical strategic considerations, driving robust market growth in the naval defense industry. Total global naval defense spending is forecasted to grow from €78 billion in 2024 to approximately €135 billion by 2033, representing a CAGR of 6% (total market size of €100 billion in 2033 converted into nominal values for consistency with our pipeline based on the assumption of a defense price inflation of 3% per year and includes an uplift of €4 billion to reflect the uplift of European defense budgets announced in 2025) (source: *McKinsey & Company*

information). Within this expanding defense market, we operate within a distinct, attainable market that is projected to achieve a faster CAGR of 8% over the same period, reaching a forecasted attainable market size reaching €61 billion by 2033 (source: Company information).

We believe our attainable market growth is supported by the following key market drivers:

NATO Rearmament Driving Attainable Market Growth

We believe that the European region is particularly well-poised to lead this market expansion due to elevated investments by NATO member countries in Europe following decades of underinvestment beginning in 1992 with the so-called “peace dividend” of between €1,400 to €7,300 billion (source: McKinsey & Company A). During the NATO Summit in The Hague, Netherlands in June 2025, NATO member states adopted a target of 3.5% of GDP for defense spending and of 1.5% of GDP for complementary capabilities by 2035 (source: NATO Declaration), which we believe reflects a renewed customer focus on mitigating peer-level threats, securing maritime trade routes and fulfilling NATO obligations. As such, the annual defense budget of Germany is expected to increase at a CAGR of 13% from €80 billion in 2024 to €170 billion (3.3% of GDP) in 2030 and could potentially reach €180 billion (3.5% of GDP) in 2030 (source: McKinsey & Company C). Similarly, the annual defense budgets of European NATO member states (excluding Germany) are expected to increase at a CAGR of 10% from €355 billion in 2024 to €630 billion in 2030 and could potentially reach €790 billion in 2030 (source: McKinsey & Company C). This could result in a potential cumulative budget increase for Germany and other European NATO member states of up to €350 billion and €1,390 billion between 2025 and 2030, respectively (source: McKinsey & Company C). By comparison, US and Canadian defense spending is expected to grow more modestly at a CAGR of 2% from 2024 to 2030 (source: McKinsey & Company C). Naval investments, a cornerstone of this resurgence, are projected to capture a disproportionately large share of these budgets, with naval equipment spending by European NATO member countries projected to grow at a CAGR of 16% from €35 billion to €85 billion between 2024 and 2030 to compensate for previous underinvestment in naval military equipment (source: McKinsey & Company C).

Segment Opportunities and Growth Drivers

A notable aspect of our attainable market lies in its growing demand across both Submarines and Surface Vessels segments, as well as emerging opportunities in naval electronics and software as changing naval doctrines drive the need to upgrade naval capabilities. We believe that our comprehensive and cutting-edge product portfolio across all three segments provides us with a competitive edge in a landscape becoming increasingly more sophisticated in its requirements. Driven by an overall expected CAGR of 8%, our attainable market is expected to nearly double, from approximately €5 billion in 2024 to approximately €9 billion in 2033, with high growth rates expected for all segments (source: McKinsey & Company B).

Submarines: With demand driven largely by the rebuilding and modernization of various naval fleets, heightened naval threats are encouraging many nations to reintroduce or expand their submarine capacities. The projected attainable market size for our Submarines segment is estimated to grow from approximately €5 billion in 2024 to approximately €9 billion in 2033, representing an expected CAGR of 8%, which we believe underscores the continued importance of submarine fleets in modern and future naval strategies. (source: McKinsey & Company information).

Surface Vessels: Driven by fleet renewals and investments in adaptability and modularity as navies around the world seek to grow and replace their aging surface fleets, the attainable market for our Surface Vessels segment is expected to expand from approximately €14 billion in 2024 to approximately €23 billion by 2033, growing at a CAGR of 6%, a trend which we believe we are well-positioned to capitalize on with our MEKO® family of vessels, offering scalability, adaptability and lead times of less than 38 months for first-in-class delivery (source: McKinsey & Company B).

Atlas Electronics: The most significant growth is expected in our Atlas Electronics segment, where demand for advanced systems such as sonar solutions, integrated communications and autonomous systems is projected to drive the market from approximately €12 billion in 2024 to approximately €29 billion by 2033. This growth is split between naval electronics and software for surface vessels (projected to increase at a CAGR of 9% from approximately €10 billion in 2024 to approximately €22 billion in 2033) and naval electronics and software for submarines (projected to increase at a CAGR of 12% from approximately €2 billion in 2024 to approximately €7 billion by 2033) (*source: McKinsey & Company C*).

Long-Term Purchasing Decisions Accelerating Growth Opportunities

Procurement decisions in the naval defense market are typically made within multi-decade frameworks, with the average bidding process for a submarine or surface ship lasting approximately two years, production timelines (including design, construction and commissioning) lasting between three to 10 years for submarines and three to four years for surface vessels and operational service lives at or exceeding 40 years (*source: Company information*). However, production timelines can vary significantly depending on the number and complexity of the vessels involved. Furthermore, procurement decisions often include operational readiness considerations such as routine and emergency maintenance considerations, midlife modernization and upgrade programs or life extension upgrades. Given this inherent variability and complexity in naval procurement, we believe these tenders must be approached as strategic, long-term campaigns that require robust safeguards and disciplined commercial frameworks to ensure high Order Backlog and revenue visibility throughout the entire procurement process. As a trusted naval solutions provider, we believe we are well-suited to meet these requirements by ensuring platform modularity, scalability and long-term lifecycle support that align closely with customer demands for adaptability and value optimization. In addition, we employ tender design principles designed to ensure economic sustainability throughout the procurement process. These include the use of contracts with provisions aimed at mitigating risk, upfront risk budgeting, cost hedging through price escalation mechanisms and a focus on higher-value (margin) projects and implementing more stringent financial criteria for project selection.

Growing Opportunities for Atlas Electronics

Within the naval sector, we anticipate that software and electronics will make up an ever-increasing share of vessel value. As system architectures become more complex and our customers' operational needs evolve, our focus remains on supporting this shift and meeting heightened demands through innovative, adaptable solutions. We also anticipate the number of naval assets to grow as rising global threats drive defense spending, through increasing demand for autonomous vehicles and through the expanded need to counter threats to critical infrastructure.

10.2.2 Leading “Maritime Powerhouse” Providing Comprehensive Integrated Maritime Solutions for Conventional Submarines, Naval Surface Vessels and Naval Electronics and Software

We believe we have achieved a reputation as a “maritime powerhouse” by delivering what we consider to be an industry-leading portfolio of high quality integrated maritime solutions across our Submarines, Surface Vessels and Atlas Electronics segments. As the only fully integrated naval solutions provider in Europe (based on a comprehensive portfolio offering including conventional submarines (including diesel-electric and air-independent propulsion (“AIP”) systems), mid-size surface vessels (e.g., frigates, corvettes, destroyers), electronic systems (including sonar and sensor systems, torpedoes, uncrewed vehicles, naval communications systems and combat management systems), software and services; *source: Company information*), we consider ourselves a “one-stop-shop” capable of delivering to our customers fully integrated end-to-end maritime offerings from platforms and naval systems to sensorics and effectors supported by decades of industry experience. Further, we aim to capitalize on the synergies between our operating segments (e.g., improved lead times through direct original equipment manufacturer (“OEM”)-supplier setup and the reduced intracompany contractual friction that a single, integrated supplier like us can offer its customers), to collectively enhance our product offerings. Our diversified structure should also enable us to balance capacity needs between platforms and segments as a way to maximize utilization and efficiently meet production goals.

Global Leadership in Conventional Submarines and Mid-size Naval Surface Vessels

We are the leader in the manufacture and delivery of conventional submarines within our attainable market (based on 2015-2024 deliveries of new conventional submarines; *source: Company information*). Our capabilities span the entire value chain, supported by in-house manufacturing at the comprehensively renovated production lines of our Kiel shipyard and going forward from our recently acquired shipyard in Wismar. We are also the sole producer of submarines in Germany and currently the only supplier of submarines to the German Navy. We believe this leadership position is not only a result of historical market share but is also sustained by our ability to innovate and support our customers' long-term naval missions and operational requirements. We have an extensive global operational footprint of submarines, including 97 submarines in active service across all classes worldwide, with 27 submarines in Order Backlog.

We believe this extensive number of active submarines not only demonstrates the breadth and trust inherent in our global governmental relationships, many of which are decades old, but also provides us with opportunities to benefit from long-term revenue streams in our aftermarket services, including overhauls, modernization and mission-readiness preparations. Our platforms, including the Type 212 and Type 214 submarines, are widely regarded as technological benchmarks, combining stealth, endurance and versatility. Leveraging cutting-edge AIP systems and modular designs, our submarines are designed to meet the most demanding NATO requirements as well as the requirements of our naval customers around the globe at lower cost than nuclear submarines (*source: Company information*).

We rank among the three largest suppliers of mid-size naval surface vessels (including corvettes, frigates and destroyers, as well as certain vessel categories outside our current product portfolio, i.e., mine warfare ships and offshore patrol vessels) within our attainable market (*source: Company information*). Our flagship product, the MEKO® series of warships, is widely used for multi-role applications across customer navies, with 59 of our 62 MEKO® series of warships delivered since 1982 still in operation, as at June 30, 2025 (*source: Company information*). We believe our MEKO® product line distinguishes itself through its modular design, enabling us to more efficiently tailor our platforms to the diverse operational needs of our customers while maintaining the flexibility needed to more efficiently integrate upgrades and systems advancements over the entire operational life of a vessel. In addition, we plan to expand our already successful MEKO® product line to include the MEKO® S-X, an uncrewed system designed to enhance our customers' ASW capabilities in a future ecosystem of interconnected naval warfare operations.

In total, we have supplied more than 325 vessels since 1960 with more than 10,000 total years of operation (estimated cumulative years of operation of all Group vessels sold for both our Submarines and Surface Vessels segments; *source: Company information*).

Excellence in Electronic Systems

We view the naval electronics and software industry as a key strategic focus area for us. Our Atlas Electronics segment has emerged as a leader in high-performance sonar systems (*source: Company information*) with a comprehensive product portfolio including solutions in naval weapons, autonomous systems, naval software, including combat management systems, signal processing, combat system integration capabilities and naval communication applications, as well as logistics, maintenance and training services. We provide products that we consider scalable and OEM-agnostic, utilizing a system-of-systems architecture designed to ensure interoperability with non-Group platforms.

We believe that our record of innovation in next generation electronic and software solutions for naval warfare positions us well to capitalize on future growth trends. We further believe we have a strong product offering with end-to-end sensor-to-shooter architecture for submarines and surface vessels designed to provide our customers with high quality solutions across the entire operational chain from target detection to threat evaluation and engagement. Our Integrated Sensor Underwater System (“ISUS 100”) and our advanced command & control system for surface

vessels exemplify this system-of-systems approach to our sensor-to-shooter architecture, which is designed to ensure enhanced functionality across the entire operational chain. ISUS 100, an advanced submarine combat system, supports subsurface operations in challenging environments, integrating acoustic and non-acoustic sensors alongside tactical data links for real-time target analysis, threat evaluation and weapons control. Its modular open architecture aims to facilitate the integration of advanced munitions (such as our SeaHake™ mod4 (“SeaHake™”)), third-party applications and future upgrades, while ensuring robust operations through automation of routine tasks and fail-safe redundancy mechanisms. ISUS 100 is also a fully integrated part of the latest generation multi-domain combat system ORCCA® designed with our partners. ORCCA® is offered by KTA Naval Systems AS (“KTA Naval Systems”), a joint venture between TKMS and Kongsberg.

We also offer integrated, end-to-end solutions to support our customers’ mine countermeasure operations. Our Integrated Mine Countermeasures System (“IMCMS”) provides a scalable, modular framework that integrates mine hunting sonar, manned vehicles, UUVs and USVs to support the entire mine countermeasure chain, from detection and classification to identification, mission planning, and disposal. At the core of IMCMS is the Mine Warfare Data Centre, which is designed to provide robust mission and asset management capabilities and task planning across a variety of operational scenarios.

10.2.3 Technology and quality leader at the forefront of shaping solutions for the naval battlefield of the future

We believe that our ability to deliver cutting-edge innovations has established us as a significant participant in naval systems innovation. As the only fully integrated naval solutions provider in Europe (based on a comprehensive portfolio offering including conventional submarines (including diesel-electric and AIP systems), mid-size surface vessels (e.g., frigates, corvettes, destroyers), electronic systems (including sonar and sensor systems, torpedoes, uncrewed vehicles, naval communications systems and combat management systems), software and services), we believe we are well-positioned to develop solutions designed to address the increasingly sophisticated requirements of modern naval forces facing a rapidly evolving maritime battlefield (*source: Company information*). These requirements have been driven by several trends.

Our leading position in technology further strengthened by new, standard setting innovations

Our leadership in conventional submarine technology includes innovations such as our proprietary submarine fuel cell AIP systems, which enhance reliability and enable extended mission durations for our customers’ submarines. By enabling submarines to remain submerged for several weeks without the need to snorkel, we provide improved endurance over similar platforms. We believe our fuel cell technology offers certain operational advantages over nuclear propulsion for submarines. Submarines equipped with our AIP fuel cell systems eliminate the need for much of the extensive and noise-producing cooling and mechanical machinery typically found in nuclear submarines. As a result, we believe our submarines operate with reduced acoustic and infrared signatures. We believe this reduced detectability improve survivability and make our submarines especially effective for covert operations in contested maritime environments. In addition, we believe our submarines offer our customers lower overall service life costs, as conventional submarines are generally more cost-effective to build, operate and maintain than nuclear submarines, as well as increased operational sovereignty due to a reduced technological dependence on other countries.

We are also developing advanced lithium-ion battery solutions, designed to deliver enhanced mission performance through reduced snorkeling frequency, increased energy efficiency, and reduced maintenance requirements. Beyond propulsion advancements, we continue to invest in innovative systems designed to meet modern and future naval warfare needs. One of our flagship technologies offered by Atlas Electronics is the SeaSpider® Anti-Torpedo Torpedo (“ATT”), engineered to be the world’s first dedicated ATT solution and designed as a “hard kill” counter to torpedo attacks (*source: Company information*). We are also developing, as part of a consortium with Diehl Defence Group (“Diehl”), our Interactive Defense and Attack System for Submarines (“IDAS”) designed to support submarine real-time targeting and engagement of aerial threats from a submerged position.

Facilitating Multi-Domain and Highly Connected Naval Battlefield Operations across Traditional Naval Platforms and Uncrewed Systems

We believe that the effective execution of future battlefield operations will rely on the seamless orchestration of assets across all domains, sea, air, space, cyber, and land. For navies to operate effectively on this future battlefield, their systems must be highly interoperable, capable of collecting, processing, and acting on real-time intelligence from diverse sources, domains, and allied nations. We expect AI to be the central enabler of multi-domain operations by managing vast data flows, accelerating threat detection and decision-making, optimizing resource deployment and autonomously coordinating platform movements and missions.

We believe we have positioned ourselves as a leader in multi-domain operations, underpinned by our focus on integrating AI, autonomous platforms and advanced communications for improved system-of-systems coordination. As future naval battlefields grow more interconnected, we are developing solutions designed to connect crewed and uncrewed platforms using AI-based orchestration to deliver greater adaptability and operational efficiency. This orchestration involves, for example, leveraging AI- and software-driven solutions to flexibly connect and manage crewed naval assets (such as the MEKO® A-400 AMD, MEKO® A-200, the Type 212CD submarine) and new complementary uncrewed systems (such as the MEKO® S-X, SeaSpider®, ARCIMS and Stargazer®) to enhance our customers detection and defense capabilities on the future naval battlefield.

To support this integration, we seek to leverage our in-house naval electronics and software capabilities to enhance our existing platform offerings and accelerate technology transfer to autonomous uncrewed systems and effectors while also seeking to capitalize on our expertise in data analytics and access to proprietary data sources to deliver solutions on increasingly complex autonomy and AI use cases.

We believe we are also at the forefront of developing advanced autonomous systems to support our customers' requirements in truly joint, multi-domain operations. For example, we are currently constructing our large uncrewed Modifiable Uncrewed Mothership ("MUM"), engineering its successor platform, Stargazer®, and our MEKO® S-X uncrewed system with advanced ASW capabilities designed to complement and enhance the detection and defense capabilities of our customers' traditional ASW assets and maximize their multi-domain operational impact.

As future naval operations become increasingly reliant on distributed, persistent and risk-tolerant capabilities, the development of autonomous and uncrewed systems has become a strategic priority for us. We believe these systems are critical enablers of operational endurance and flexibility. Moreover, they aim to provide a decisive advantage in contested environments where the use of crewed platforms may be constrained or impractical.

We have designed the development processes for our autonomous and uncrewed systems as a coordinated and deliberately structured effort across our three segments. While each segment is actively engaged in advancing the development of our autonomous and uncrewed technologies, we have delineated the responsibilities of each segment to help ensure optimal use of their domain-specific expertise. Our Submarines segment is responsible for the development of extra-large uncrewed underwater vehicles ("XLUUV"), such as our Stargazer® platform, leveraging decades of experience in submarine construction. Our Surface Vessels segment leads the development of Extra-Large Uncrewed Surface Vehicles (XLUSVs), such as the MEKO® S-X, building on its expertise in large surface combatants. Atlas Electronics, by contrast, is entrusted with all large-, medium- and small-sized uncrewed platforms. Representative systems include the SeaCat UUV and the ARCIMS USV, which demonstrate Atlas' integrated strengths in sensor fusion, control systems and software-defined autonomy above and under water.

The Joint Autonomous Guidance and Operating System ("JAGOS"), a proprietary common autonomy software foundation developed by Atlas Electronics is at the core of our approach to uncrewed systems and deployed uniformly across all Group product portfolios and vehicle classes. This foundation is designed to ensure unified logic and system behavior and facilitate a high degree of interoperability across vehicle classes and segments. Internally, JAGOS is intended to foster seamless integration between Submarines, Surface Vessels and Atlas Electronics, and externally, it is designed to allow uncrewed vehicles to operate collaboratively within distributed, multi-domain

mission networks. The aim is to enable the creation of a robust, scalable and interoperable uncrewed ecosystem that we believe will enhance the operational impact and flexibility of modern naval forces.

To meet the rising demand for AI and big data applications for naval warfare, we are utilizing our Atlas Electronics software hub in Bremen, Germany and a distinct TCCT software hub in Munich, Germany, respectively, to drive the development of our autonomous platforms and AI-based multi-domain operation solutions. Furthermore, we seek to use these software and AI hubs to enhance our core products, for example by improving platform longevity through live monitoring and predictive maintenance solutions, expanding AI-enabled prescriptive maintenance, growing our service business through the expanded use of digital twins, software-based trainings and improved supporting analytics solutions and improving our internal processes through the use of automated data analytics.

10.2.4 Substantial Order Backlog enables product delivery at attractive margins through high focus on execution excellence

As at June 30, 2025, we had secured an Order Backlog of €18,558.8 million, which we believe demonstrates our ability to win contracts against some of the world's most advanced conventional submarine, surface vessel and naval electronic and software producers and underscores the trust that global naval defense operators place in our solutions and services. We believe this substantial Order Backlog, serving a global customer base of both NATO members and key non-aligned navies, not only provides us with high long-term revenue visibility but also lays a strong foundation for steady growth across all our operating segments. In particular, we believe our Type 212CD submarine program demonstrates the strength of our customer relationships and execution capability within both our Submarines and Atlas Electronics segments. Deliveries under this program, an international partnership between the German and Royal Norwegian Navies, are expected to include ten submarines (six submarines to the German Navy and four submarines to the Royal Norwegian Navy) and associated naval electronics and software from Atlas Electronics and KTA Naval Systems AS (*source: Company information*). Similarly, in our Surface Vessels segment, we believe that the delivery of four MEKO[®] A-100 corvettes, produced at our shipyard in Itajaí, Brazil, to the Brazilian Navy through 2029 represent a major reference project in the region.

We seek to bolster our Order Backlog through a large, diversified campaign pipeline that includes a number of key tenders across all three of our operating segments. The following examples represent our pipeline of tenders with an expected effective date of contract (“**EDC**”) between 2025 and 2030 and does not represent the expected timeline for starting or completing any program, as these can vary considerably based on a variety of factors, including the length of contract negotiations as well as the complexity and number of platforms ordered.

Key campaigns in the Submarines segment include the expected additional procurement of two optional Type 212CD submarines by the Royal Norwegian Navy under the Type 212CD program described above, a Canadian patrol submarine project for the delivery of seven to 12 of the Royal Canadian Navy's next generation of conventional submarines and the P-75I program for the construction of a variant of our Type 214 submarine, in collaboration with our in-country partner Mazagon Dock Shipbuilders Limited (“**Mazagon**”), for the Indian Navy. We expect potential deliveries under the P-75I program to consist of nine submarines, comprising six fully constructed submarines and three submarines delivered as material packages.

Key campaigns in the Surface Vessels segment include the expected order of eight F127 frigates by the German Navy through a joint venture between TKMS and Naval Vessels Lürssen B.V. & Co. KG, a wholly owned German subsidiary of the Lürssen Group (“**NVL**”) and a Vasco da Gama replacement program for procurement of three frigates by the Portuguese Navy. We are also in the early stages of a potential campaign for the procurement of three frigates by the Chilean Navy under the country's National Continuous Shipbuilding Plan (*Plan Nacional Continuo de Construcción Naval*).

Key campaigns in the Atlas Electronics segment include the initial deployment of our SeaSpider[®] ATT within a multinational program under the umbrella of the Permanent Structured Cooperation (PESCO) of the European Defence Agency, the procurement of naval electronics and software for surface vessels under a German Navy

procurement program intended to expand Germany's existing surface fleet and replace the current F124 class (the "F127 Frigate Program"), a mine countermeasure campaign for the German Navy and Canadian patrol submarine project discussed above and the delivery of naval electronics and software for the development and procurement of approximately 20 nuclear submarines to be built over several decades under the trilateral security partnership between Australia, the United Kingdom and the United States (AUKUS) estimated at between €70 to €100 million per vessel (source: *Company information*).

For the last three fiscal years, we have invested substantial amounts to modernize our facilities, primarily at our shipyard in Kiel, Germany, which together provide the capacity and technical expertise required for the construction of submarines. We plan to invest over €200 million, mainly customer-funded, in our Wismar shipyard between the fiscal years ended September 30, 2026 and 2027, with the goal of creating a hybrid facility capable of producing submarines and surface vessels. We currently expect to begin the production of submarines by 2026 and surface vessels by 2027.

10.2.5 Attractive financial profile with cash-generative growth and strong balance sheet

We believe we possess an attractive financial position, reflecting consistent growth, various high-margin projects and a disciplined approach to cost control that stems from long-term government contracts, predictable revenue streams and a well-diversified portfolio of products and services that allow us to maintain stable cash flows irrespective of market volatility.

Revenue Momentum from Strong Core Segments

For the fiscal year ended September 30, 2024, we recorded sales of €1,986.6 million, an adjusted EBIT of €85.6 million and an adjusted EBIT margin of 4.3%, representing a CAGR of 8.2% for our sales and an increase in our adjusted EBIT margin of 2.3% since the fiscal year ended September 30, 2022. These were driven by strong performances by, in particular, our Submarines and Atlas Electronics segments. For the fiscal year ended September 30, 2024 our Submarines segment recorded sales of €975.7 million and a gross margin of €72.6 million, our Surface Vessels segment recorded sales of €570.8 million and a gross margin of €95.5 million and our Atlas Electronics segment recorded sales of €589.8 million and a gross margin of €143.6 million. The recurring nature of sales from upgrades, spare parts and mission-readiness contracts supports a degree of stability even during periods of reduced new-build orders. For instance, our installed submarine and surface vessel bases generate predictable maintenance revenue over lifecycles that can exceed 40 years. Key drivers of this service revenue include occasion-driven maintenance, repair and overhaul ("MRO") services; extensive overhaul maintenance procedures, which generally occur every two to five years; and major modernization efforts that typically take place one to two times during a vessel's life and include midlife refits, lifetime extensions and armament and other upgrades. These services are exemplified by the June 2025 signing of one of the largest service contracts in our history, which we value at over €800 million in total over the ten year duration, involving the modernization of six Type 212A submarines for the German Navy (source: *Company information*). Additional exemplary service contracts include a contract to provide MRO services for six submarines for the German Navy, which we value at approximately €30 million per annum, as well as a separate contract, which we value at approximately €30 million per submarine, for the overhaul of two submarines for another customer (source: *Company information*).

Highly Stable Revenue Base Supported by Long-Term Governmental Customers

We have a highly stable revenue base driven by deep relationships with a reliable set of long-term governmental customers, particularly our top 10 governmental customers, which we believe is a testament to both the effectiveness and quality of our solutions. For the fiscal year ended September 30, 2022 through the fiscal year ended September 30, 2024, our relationships with all our top 10 customers exceeded 10 years, our relationships with 68% of our top 10 customers exceeded 20 years and our relationships with 59% of our top 10 customers exceeded 40 years. In addition, 94% of our revenue came from relationships with our top 10 customers over the same period, which we believe further underscores the stability of our customer relationships.

Operational Cost Efficiency

We have prioritized operational excellence, making targeted investments in advanced robotics and automation practices designed to improve our production practices while reducing costs. For example, we have utilized internally developed, use-case specific robotics to reduce lead times for process steps by up to 60-70% (*source: Company information*). Use of robotics in this way has also allowed us to improve product quality (as measured by a reduced need for rework).

We believe our approach to capacity management further supports both our drive for operational efficiency and our ability to deliver on our growing Order Backlog. In particular, we are in the process of ramping up our production capacity of our acquired Wismar facility alongside a prudent build-out of our Kiel shipyard. We have designed our current capacity expansion initiatives to fully cover current Order Backlog needs as well as to support new programs, with the existing ramp-up of Wismar providing capacity for projects beyond the present Order Backlog. We believe this approach will ensure that our engineering and production functions remain below total capacity thresholds while delivering on our current Order Backlog. Through these expansion efforts, we seek to increase our production capacity by more than twofold in terms of total working hours by 2028.

We believe we have made significant advancements in enhancing our operational efficiency, reducing the estimated time of completion for our projects and increasing our gross profit margin by focusing on process optimization, workforce upskilling and supply chain localization. In parallel, we have prioritized near-shoring our supplier base, with a focus on German and European suppliers, to enhance supply chain resilience. For the fiscal year ended September 30, 2021 through March 30, 2025, our European suppliers (including Germany) accounted for approximately 95% of our total procurement spend allocation (based on procurement spend allocation for the fiscal year ended September 30, 2021 through March 30, 2025 and includes all suppliers with an aggregated volume greater than €1.0 million, excluding all volumes supplied through intercompany operations of fully owned entities), with our suppliers in Germany accounting for approximately 63% of total procurement spend allocation over the same period. From a commercial perspective, we have focused on high-value projects and implementing more stringent financial criteria for project selection, with the aim of ensuring that we only pursue opportunities expected to deliver higher profit margins.

Beyond production optimization, we have implemented contractual measures designed to improve long-term profitability. For example, by embedding price-indexing clauses and creating systems to streamline the monetization of change requests during the project lifecycle, we have improved our margin management and reduced exposure to cost fluctuations. Further, we have focused on requirements-based contracting to allow for greater flexibility in the engineering phase, which we believe has helped us reduce our expected time to completion for submarine projects and reduce the potential for margin leakage from additional engineering efforts. For Submarines, based on a comparison of Order Intake gross margin for legacy orders (defined as all orders with an Order Intake date before July 2021 and with at least one delivery since 2021 and excluding orders from two legacy programs with classified financial information) to new orders (defined as all orders with an EDC after July 2021 and excluding one supplier contract not comparable with new build projects or material packages), we have achieved an improvement of seven percentage points in our gross margin during the order intake phase.

Recurring Revenue as a Cash Engine

Lifecycle maintenance and upgrades constitute an important aspect of our financial resilience. As naval platforms, including submarines and surface vessels, are generally characterized by long operational service lives (*source: Company information*), we believe that our service support offerings (including ongoing maintenance, periodic upgrading, spare parts and training) as well as our special life cycle services (including conditional analyses, certification, overhaul workshops, renewal workshop equipment and life extension upgrades) and the eventual replacement of our platforms represent opportunities for significant recurring revenue streams. Further, we strategically focus our in-life service offerings to primarily large, technologically sophisticated naval customers (e.g.,

the German Navy). We believe this focus affords us reduced counterparty risk while providing the opportunity for more high value and predictable cycles for updates and maintenance.

10.3 History and Key Milestones

On January 5, 2005, TKMS was initially formed through the acquisition of Howaldtswerke-Deutsche Werft (“**HDW**”) by ThyssenKrupp Werften GmbH, a subsidiary of ThyssenKrupp AG. Due to the financial downturn caused by the 2008 financial crisis, ThyssenKrupp Werften GmbH was forced to sell certain of its subsidiaries, including Blohm + Voss KG, Nordseewerke Emden GmbH and Nobiskrug GmbH. In 2013, HDW merged with Blohm + Voss Naval GmbH, forming the current TKMS.

The history of the Kiel industrial site dates back to the founding of the boiler manufacturer Maschinenbau & Eisengießerei Schwegel & Howaldt (“**Schwegel & Howaldt**”) by Johann Schwegel and August Ferdinand Howaldt in 1838. In 1850, Schwegel & Howaldt produced the first German submarine, the “*Brandtaucher*”. The Schwegel family left Schwegel & Howaldt in 1879, leaving the company to George Howaldt, who shortly thereafter built a shipyard in Kiel – later known as HDW. HDW’s shipyard in Kiel, served as production, maintenance and repair facilities for a number of naval vessels for the German Navy in the first half of the 20th century. Following the Second World War, HDW transitioned to commercial shipbuilding, producing a number of oil tankers, bulk carriers, freighters (including the nuclear-powered freighter *Otto Hahn*) and ferries, before transitioning back to submarine construction in the 1960s, developing the Type 205 and later the Type 209 submarines. HDW also introduced the first fuel submarine cell-based AIP system in 1994, positioning itself as a global leader in production of non-nuclear submarines and submarine technology. Through strategic acquisitions, including Kockums AB in Sweden in 1999 (full ownership stake acquired by SAAB AB in 2014) and Hellenic Shipyards S.A. in Greece in 2002 (majority stake sold to Abu Dhabi MAR in 2010, with TKMS retaining a 24.9% minority stake), HDW expanded its capabilities and international presence in naval shipbuilding.

The Hamburg industrial site, founded in 1877 as Blohm + Voss by Hermann Blohm and Ernst Voss, gained prominence throughout the early 20th century for constructing, in particular, the renowned steel-hulled Flying P-Liners, including the *Passat*, *Pamir* and *Peking*, for shipping company F. Laeisz. The site also became known for constructing the battleship *Bismarck*, launched in 1939, and numerous submarines, especially those of the Type VII class. Following heavy wartime damage and allied restrictions, Blohm + Voss resumed civilian shipbuilding in the 1950s. In 1955, Phoenix-Rheinrohr AG, later part of Thyssen AG, acquired a major stake in the yard, and Blohm + Voss became a wholly owned subsidiary of Thyssen AG in 1966. Following its 1999 merger into ThyssenKrupp AG, Blohm + Voss became part of ThyssenKrupp AG’s Marine Systems division. In 2011, ThyssenKrupp AG sold the majority of its stake in the now Blohm + Voss KG to UK-based investor Star Capital, with ThyssenKrupp AG retaining a 20% ownership stake in the company. Since that time, TKMS has operated the Hamburg industrial site as the primary corporate office and engineering hub for its Surface Vessels segments.

Atlas Electronics traces its origins to the founding of Allgemeine Elektrizitätsgesellschaft AG by Emil Rathenau in 1883 and Norddeutsche Maschinen- und Armaturenfabrik GmbH (later Atlas Werke AG) in 1902. Its technological evolution began in 1905 with the creation of an “engineering office for underwater and sound equipment” focused on hydroacoustic research and development. Early innovations included the Atlas echosounder, essential to the German Navy research vessel *Meteor*’s South Atlantic survey from 1925-1927, and an underwater bell developed with the Submarine Signal Company in the United States.

Following the Second World War, the company diversified into manufacturing echosounders for fisheries and developing medical and industrial ultrasound products. In the 1960s, Atlas returned to defense, securing contracts for fire control computers for the Leopard tank and training simulators for the Type 206 submarine. Following mergers and ownership changes, including the 1991 acquisition of Atlas Werke AG (then Krupp Atlas Elektronik GmbH) by the Bremer Vulkan Group and a merger with STN Systemtechnik Nord (a successor to Allgemeine Elektrizitätsgesellschaft AG) to form STN Atlas Elektronik GmbH, the company was acquired by BAE Systems plc

and Rheinmetall in 1996. Its maritime division, Atlas Elektronik, was spun off and retained by BAE Systems in 2003. Atlas Elektronik became part of ThyssenKrupp's Marine Systems division in 2005 after ThyssenKrupp AG acquired BAE Systems' majority (51.0%) stake and became wholly owned by ThyssenKrupp in 2017 after it purchased Airbus SE's remaining minority stake.

Significant recent developments include our acquisition of the Itajaí shipyard in Itajaí, Brazil as part of a project-linked initiative to build frigates for the Brazilian Navy and the acquisition of our shipyard infrastructure in Wismar, Germany from MV Werften Property GmbH through an asset acquisition transaction in June 2022, designed to increase our capacity for both surface vessel and submarine production.

10.4 Products and Services

Through our Submarines, Surface Vessels and Atlas Electronics segments, we offer our customers a comprehensive, fully integrated product portfolio comprised of conventional submarines, mid-size surface vessels and naval electronics and software systems. In addition, each of our segments employs aftermarket teams dedicated to supporting our customers through the entire lifecycle of our products. These flexible services, offered as custom packages or standalone solutions, encompass in port and remote repairs, refits and upgrades with advanced technologies; training and simulation; and integrated logistics support (including technical documentation and material management). Further, each of our operating segments utilizes our Virtual Ship Training and Information System ("ViSTIS[®]"), a modular, simulation-based training platform, to assist our customers with comprehensive and interactive crew training across a wide range of technical, procedural and tactical scenarios.

10.4.1 Submarines

We specialize in the design, construction and delivery of advanced submarine classes. Our submarines are deployed globally with naval forces operating in both blue water and littoral environments and serve as key assets in both open ocean fleets and coastal and littoral defense forces around the globe. We are the leading supplier of conventional submarines in our attainable market (*source: Company information*), with a strong focus on supporting EU and NATO member states as well as NATO global partners and major non-NATO allies. Further, we are the sole provider of submarines to the German Navy. As at June 30, 2025, our shipyards (including partner shipyards) have produced 97 submarines that were in active service across 20 navies as of that date (*source: Company information*). As of the same date, we had an additional 27 submarines in Order Backlog.

While the manufacture of our submarines is often tailored to the demanding specifications, operational requirements and operating budgets of each customer, including the ability to integrate a variety of third-party systems and technologies, most of our current submarine offerings feature certain common proprietary technologies and design features including:

- Advanced fuel cell AIP systems designed to substantially increase our submarines' operational range and improve acoustic performance.
- Integrable lithium-ion battery systems engineered with a lifespan twice the length of conventional battery systems and designed to extend our submarines' operational ranges, reduce the frequency of snorkeling and increase our platforms' operational availability (*source: Company information*).
- Advanced propellor systems and a diamond-shaped hull designed to improve our submarines' acoustic signature and reduce detection risks (diamond-shaped hull to be first included as a feature of the Type 212CD and in select models of the Type 214NG).
- Flexible payload capacities designed to house and launch a variety of weapon systems, including torpedoes, mines and defensive effectors to meet the requirements of a variety of mission sets.
- Advanced sonar and communications equipment for enhanced underwater "visibility", end-to-end architecture from sensors to systems and multi-domain communication.

Apart from engineering, construction and delivery, our Submarines segment also provides maintenance and other life-cycle services to our customers. Life cycle services comprise MRO activities on a rolling basis, larger overhauls every 2-5 years and modernization covering midlife refits, lifetime extensions and smaller systems upgrades.

For the fiscal year ended September 30, 2024, our Submarines segment generated sales of €975.7 million and gross margin of €72.6 million, which accounted for 49.1% and 23.2% of our total sales and gross margin during the same period, respectively.

We currently offer the production of the following types of submarines.

10.4.1.1 Type 209

Our Type 209 submarine is a general-purpose submarine first introduced in 1969 (by initial EDC). The Type 209 features a diesel-electric motor and is designed to support a variety of offensive and defensive mission profiles, including sea denial, intelligence, surveillance and reconnaissance operations and special operations forces support (“SOF”). The current version of the Type 209 features advanced submarine technology, including integrated weapon command & control systems, advanced flank array sonar for low-frequency detection, flexible weapon payloads for housing a complement of torpedoes, missiles and mines, a low visual profile and enhancements in acoustic signature reduction for detection avoidance. The Type 209 submarine is built according to fixed, predefined design criteria, including an overall length of approximately 62 meters, a surface displacement of 1,450 tons, eight weapon tubes, and a crew complement of 30, while offering selected areas of adjustment to reflect the specific operational preferences of its customers.

Since 1969, our Type 209 has become one of the most widely exported designs in the submarine market, with a total of 65 boats produced since 1969, 56 of which were in active service across 15 navies as at June 30, 2025, including the navies of Argentina, Brazil, Chile, Columbia, Ecuador, Egypt, Greece, India, Indonesia, Peru, South Africa, South Korea, Turkey and Venezuela (*source: Company information*). As at June 30, 2025, we did not have an Order Backlog for the Type 209 and no platforms are currently in production. Our most recent order for the Type 209 consisted of the manufacture and delivery of four boats to the Egyptian Navy between 2016 and 2021.

10.4.1.2 Type 212

Our Type 212 submarine is an advanced general-purpose submarine first introduced in 1994 (by initial EDC). The Type 212 features an HDW fuel cell AIP system (and secondary diesel-electric motor) and is designed to support demanding and strategic missions requiring stealth and precision, reconnaissance and surveillance in denied areas, as well as supporting operations within traditional warfare areas. Our current in-service variant of the Type 212, the Type 212A, incorporates advancements in stealth technology, such as a unique non-magnetic construction and an acoustically optimized propulsion system designed to reduce overall detectability and increase overall operational efficiency. The Type 212A also features integrated command & control systems, flank and towed array sonars, weapon tubes incorporating a water pressure launching system and an extended payload capacity for additional sensors, communications equipment, weapon systems and ordnance. The Type 212A submarine is built according to fixed, predefined design criteria, including an overall length of approximately 56–58 meters, a surface displacement of 1,450 tons, six weapon tubes, and a crew complement of 28, while offering selected areas of adjustment to reflect the specific operational preferences of its customers.

We are currently manufacturing the next-generation variant of the Type 212, the Type 212CD, for delivery to the German and Norwegian Navies via a cross-national procurement program. In comparison to the Type 212A, the Type 212CD will feature our advanced submarine fuel cell system, IDAS and will also be fitted to allow for the integration of lithium-ion battery technology. For more information see “10.5.1.1 Kongsberg Gruppen ASA” In addition, we have been contracted by Fincantieri to deliver four material packages for the construction of Type 212 NFS for the Italian Navy.

Since 1994, we have produced a total of 10 Type 212A submarines, all of which were in active service as at June 30, 2025, six with the Germany Navy and four with the Italian Navy. As at June 30, 2025, our Order Backlog for the Type 212 included the manufacture and planned delivery of 10 Type 212CD submarines, six to the German Navy and four to the Norwegian Navy. Deliveries of the initial six Type 212CD submarines are currently scheduled between 2029 and 2035. Our Order Backlog also includes the delivery of two material packages to our partner Fincantieri for the construction of two Type 212 NFS submarines for the Italian Navy. Originally contracted in 2021, completion of the first Type 212 NFS by Fincantieri under this order is currently scheduled for 2028.

10.4.1.3 Type 214

Our Type 214 is an advanced, single-hull, one-compartment general-purpose submarine first introduced in 2000 (by initial EDC). The Type 214 features an HDW fuel cell AIP system (and secondary diesel-electric motor) and is designed to support operations across a variety of warfare areas. Fusing the design principles of the Type 209 and Type 212, the Type 214 is designed to create an advanced, cost-effective solution for future-oriented navies and features advancements in stealth technology for enhanced own signature management, an expanded flank array sonar for improved target detection, large weapon payloads for torpedoes, missiles and mines and includes an integrated torpedo countermeasures system. The Type 214 submarine is built according to fixed, predefined design criteria, including an overall length of approximately 72 meters, a surface displacement of 2,000 tons, eight weapon tubes, and a crew complement of 27, while offering selected areas of adjustment to reflect the specific operational preferences of its customers.

We have developed and currently expect to produce a variant of our newest Type 214 model, the Type 214NG, in cooperation with Mazagon for the Indian Navy. For more information see “*10.5.1.4 Mazagon Dock Shipbuilders Limited*”. We are also currently manufacturing a customized variant of the Type 214, the Type 218SG, for an additional customer. The Type 218SG features a variety of customized solutions and advanced technologies designed to enhance operational efficiency and reduce detectability across all signature profiles.

Since 2000, we have produced 18 Type 214 submarines (including the Type 218SG variant), all of which were in active service as at June 30, 2025, with the navies of Greece, Portugal, South Korea, the Republic of Singapore and Türkiye. As at June 30, 2025, our Order Backlog for the Type 214 (including the Type 218SG variant) included the manufacture and planned delivery of nine submarines beginning in 2025.

10.4.1.4 Dolphin

The Dolphin-class submarine is a general-purpose submarine first introduced in 1990 (by initial EDC). The Dolphin-class features an HDW fuel cell AIP system (and secondary diesel-electric motor, excluding the first submarine in the class, which only featured a diesel-electric propulsion system) and is designed to support operations across a variety of warfare areas. The Dolphin-class also features high degrees of automation across various operational domains, including its propulsion system, navigation controls and overall handling of the submarine. Technical specifications for our Dolphin-class include an overall length of approximately 69 meters, surface displacement of 2,050 tons and support for a crew complement of 35.

On November 12, 2024, we announced the start of production for the latest variant of our Dolphin-class submarine, the Dakar-class. The Dakar-class is designed as an advanced general-purpose submarine featuring an HDW fuel cell AIP system (and secondary diesel-electric motor) and is designed to support operations across a variety of warfare areas.

Since 1990, we have produced 5 Dolphin-class submarines, all of which were in active service as at June 30, 2025. As at June 30, 2025, our Order Backlog for the Dolphin-class (including the Dakar-class variant) included the manufacture and planned delivery of four submarines.

10.4.1.5 Services

We have developed robust international support capabilities by leveraging integrated logistic support (“**ILS**”), in-service support (“**ISS**”) functions, specialized infrastructure and cutting-edge training platforms such as ViSTIS® designed to deliver comprehensive services support covering global spare parts supply and engineering consulting to system integration and major modernization projects.

(I) *Maintenance*

For submarines, extensive MRO activities are generally mandated throughout each vessel’s operational service life, including regular servicing as well as major overhauls every two to five years. Furthermore, large-scale modernization programs, such as midlife refits, service life extensions and system upgrades, are frequently required to keep pace with evolving operational needs and technological advancements. These can include lithium-ion battery refits and the integration of fuel cell sections and future energy concepts, the installation of new propeller systems and application of anti-sonar coatings, as well as upgrades to various sensor and command & control systems and offensive and defensive effectors. To ensure operational continuity and technical integrity, these service elements are typically embedded within the original procurement contract, providing customers with predictable and comprehensive life cycle support.

On June 27, 2025, we secured a new, ten-year contract with BAAINBw to deliver comprehensive modernization and support services for the German Navy’s six Type 212A submarines. These services include the upgrade of key onboard systems, including navigation, command & control and weapons deployment systems, with the aim of maintaining the technological superiority and operational readiness of the German Navy. We value the contract, representing one of the largest service contracts in our history, at approximately €800 million in total over the ten-year duration, beginning in the fiscal year ended September 30, 2025.

(II) *Training*

Within our Submarines segment we utilize ViSTIS® to provide our customers with simulation-based training tailored to the operational requirements of modern conventional submarines. Key offerings include comprehensive integrated system and equipment operation and maintenance training, virtual platform familiarization, crew optimization and manning training and emergency response and battle damage control training.

(III) *Integrated Logistics Support*

We utilize our digital twin-based Ship’s Logistics Information System (“**SLISTM**”) to assist our customers with managing all aspects of onboard logistics, including documentation, spare parts inventory, ordering and predictive maintenance. SLISTM is also designed to enable improved synchronization of our vessel’s logistical data with enterprise resource planning systems used by navies or ministries of defense.

10.4.2 Surface Vessels

We are a large system integrator, specialized in the design, development, systems integration and construction of multi-mission surface combatants tailored to meet the diverse and demanding operational requirements of navies worldwide. We design our surface vessels around our established MEKO® design philosophy, which focuses on the flexible configuration of our warships at the design phase as well as the streamlined exchange or integration of new systems to enhance our warships’ capabilities during the operational phase. With MEKO® modularity, we utilize a scalable unified platform base to design and construct customized warships designed to support a range of mission profiles, integrate systems from a variety of third-party manufacturers to meet specific government and localization requirements and efficiently develop new vessel designs as operational requirements evolve. Based on our customers’ requirements, our MEKO® warships can be built to support multiple warfare areas, in anti-air warfare (“**AAW**”), anti-surface warfare (“**ASuW**”), ASW, special operations support, anti-missile defense (“**AMD**”), electronic warfare (“**EW**”) as well as humanitarian assistance, while operating either independently or as part of larger operational task groups. We are also developing uncrewed surface vessel systems, such as the MEKO® S-X, and we design and build

special purpose vessels, such as the New Polarstern large research vessel, to support our customers' non-military requirements.

As at June 30, 2025, our shipyard in Itajaí, Brazil, as well as the local shipyards of our various German and international partners, have delivered 84 surface vessels that were in active service across 16 navies as of that date (*source: Company information*). As of the same date, we had an additional 11 surface vessels in Order Backlog. Notably, 59 of our 62 MEKO® series of warships delivered since 1982 (plus 25 ships from mainly German customer designs) are still in active service. Apart from construction and delivery, our Surface Vessels segment also provides life-cycle services to our customers, including maintenance services and crew training. In addition to our shipyards, our corporate offices including engineering and R&D facilities are located in Hamburg and Emden, Germany.

For the fiscal year ended September 30, 2024, our Surface Vessels segment generated sales of €570.8 million and a gross margin of €95.5 million, representing 28.7% and 30.5% of our total sales and gross margin during the same period, respectively.

10.4.2.1 Our MEKO® Design Philosophy

The core of our warship portfolio is based on the MEKO® design philosophy, which utilizes a unified platform base to enable the flexible configuration of our warships across all MEKO® variants (i.e., MEKO® A-100 to MEKO® A-400). This design philosophy also includes custom-built designs (e.g., the *Baden-Württemberg-Class F125 Frigate* and *Braunschweig-Class K130 Corvette*, discussed below).

The MEKO® concept was first introduced with the MEKO® 360 first delivered in 1982. This original design was followed by the introduction of several corvette and frigate designs, such as MEKO® 200 (22 vessels delivered to 6 nations) and its successor the MEKO® A-200 (10 vessels delivered to 3 nations).

Our MEKO® family design philosophy aspires to build warships guided by the following principles:

Survivability: Tough ships designed to withstand extreme seas as well as enemy attacks and continue their mission.

Lethality: Well-armed ships able to find and deter or destroy enemy threats on, above and below the sea surface.

Mobility: Mobile ships with endurance, speed, range and underway replenishment capabilities designed for sustained blue water operations.

Seakeeping: Ships designed for sustained rough weather during global blue water operations.

Detectability: Stealthy ships with low observability across radar, infra-red, acoustic and magnetic spectra.

Availability: Ships with structural strength, durable primary systems and operational availability intended to support active service lives of more than 40 years.

Adaptability: Flexible designs able to be re-configured to support a variety of mission sets through the non-engineering changing of mission systems.

Sustainability: Ships able to be efficiently maintained and upgraded across their service lives, requiring limited engineering intervention.

Our MEKO® ship concept incorporates three dimensions of modularity, across platforms, supplier and mission profiles, to facilitate ease in design, construction, upgrading and refitting throughout the operational service life of our ships.

MEKO® Modularity across Platforms: Incorporates the use of predefined modular components for major design elements and infrastructure. This creates the capacity for potential future growth along discreet margins, namely weight, space and cooling and electrical power demands. Scalable options are available for performance

enhancements in propulsion, signature management and survivability tailored to suit our customers' varied operational needs and budgetary constraints.

MEKO® Modularity across Suppliers: Provides for the integration of a variety of combat system equipment makes and scopes, offering our customers the flexibility to choose from an array of combat systems (including certain third-party combat systems) that meet their specific operational, tactical and logistic requirements. Configuration modularity is also designed to facilitate the upgrading, refitting, system replacement and future growth of our platforms.

MEKO® Modularity across Mission Profiles: Utilizes a unified platform base to configure warships at the design stage to support a range of mission profiles. In addition, the inclusion of modular mission bays, interchangeable equipment pallets and mission-specific modules are designed to provide the flexibility to integrate third-party systems in line with specific governmental or localization requirements, as well as select mission-specific equipment loadouts to address evolving threats and mission requirements.

We currently offer the following MEKO® surface vessels and custom designs for the German Navy based on the MEKO® design philosophy.

10.4.2.2 MEKO® A-100 Light Frigate

Our MEKO® A-100 Light Frigate is a medium-sized surface combatant currently under construction for the Brazilian Navy. The MEKO® A-100 is designed for multi-purpose blue water operations and is capable of four-dimensional warfare (i.e., AAW, ASuW, ASW, and EW) as well as SOF missions. The MEKO® A-100 represents our most -cost-effective MEKO® solution and incorporates all aspects of our MEKO® design philosophy, including advance signature reduction features; redundancy and separation of systems; shock hardening; nuclear, biological, and chemical protection; and features aspects of our MEKO® Configuration Modularity concept for weapon and sensor integration, as well as our MEKO® Mission Modularity concept. The MEKO® A-100 Light Frigate also includes two MEKO Flex® decks designed to allow the ship to quickly enhance certain existing or add new mission capabilities by exchanging mission-specific modules. The ship's aft MEKO Flex® deck also includes a stern ramp and stowage space for up to two 11-m boats, providing improved support for special forces, boarding actions and uncrewed systems operations. The MEKO® A-100 Light Frigate is also designed without an exhaust funnel (a feature originally introduced with the MEKO® A-200) and with systems engineered to expel exhaust from the ship's propulsion engine and ship service generator from the ship's sides close above the waterline. While each MEKO® A-100 can be broadly manufactured to meet the specific strategic and operational requirements of each customer, standard technical specifications for our MEKO® A-100 include an overall length of approximately 107 meters, displacement of 3,450 tons, space for five twenty-foot equivalent unit ("TEU")-sized mission modules and support for a crew complement of 116 and 20 additional embarked personnel.

As at June 30, 2025, three MEKO® A-100 Light Frigates were under construction for the Brazilian Navy at our shipyard in Itajaí, Brazil, with production of the fourth vessel currently scheduled to commence in November 2025. As at June 30, 2025, our Order Backlog for the MEKO® A-100 Light Frigate included the manufacture and planned delivery of the four ships discussed above for the Brazilian Navy currently scheduled between 2025 and 2029.

10.4.2.3 MEKO® A-200

Our MEKO® A-200 is a medium-sized general-purpose frigate designed for blue water AAW, ASuW, ASW, SOF and combined task force operations. The MEKO® A-200 is designed to produce low radiant signatures and for high survivability, featuring a 3-propulsor arrangement of a centerline waterjet and two propellers designed to eliminate the need for a combining gearbox and engineered to enhance acoustic stealth, propulsion redundancy and survivability, while also providing the option for more economical diesel-only operations intended to reduce through-life propulsion costs. As with all our MEKO® designs, the MEKO® A-200 incorporates all aspects of our MEKO® design philosophy and also features an exhaust system engineered to emit actively cool exhaust gases above and below the waterline, rather than by a traditional exhaust funnel, designed to reduce the ship's infra-red signature and

increasing the availability of both interior and upper deck space in the midship region. The MEKO® A-200 resembles the workhorse warships found in several blue water fleets operating around the world. Beyond combat operations, the MEKO® A-200 is also designed to execute sustained operations across a diverse range of non-military mission sets, including interdiction operations, search and rescue and humanitarian relief efforts. While each MEKO® A-200 can be broadly manufactured to meet the specific strategic and operational requirements of each customer, technical specifications for our MEKO® A-200 include an overall length of approximately 120 meters, displacement of 3,950 tons, space for two TEU-sized mission modules and support for a crew complement of 125 and 49 additional embarked personnel.

Our MEKO® A-200 design features several notable derivatives, each customized to address the unique operational needs and preferences of different navies. In addition, 21 of our MEKO® 200 general purpose frigates, predecessor to our MEKO® A-200, were still on active service as at June 30, 2025.

Since 2002, we have delivered nine MEKO® A-200 frigates, with one in production. With the addition of the 21 MEKO® 200 warships mentioned above, we had 30 MEKO® 200 series vessels in active service with the navies of Algeria, Australia, Egypt, Greece, New Zealand, Portugal, South Africa and Turkey as at June 30, 2025. As at June 30, 2025, our Order Backlog for the MEKO® A-200 included the planned manufacture and delivery of one MEKO® A-200 warship currently being produced for the Egyptian Navy.

10.4.2.4 MEKO® A-300

Our MEKO® A-300 is an adaptable medium-large multi-mission heavy frigate currently in the marketing and tendering ready concept design stage. The MEKO® A-300 features the ability to perform command & control functions and is designed to support operations across a number of major warfare areas, including AAW, ASW, ASuW, land attack and SOF. The MEKO® A-300 distinguishes itself from our smaller MEKO® variants through its greater AAW capabilities and task force command facilities. Its larger size also offers improved seakeeping performance and a longer operational range to support more extensive blue water operations. The MEKO® A-300 is designed to ensure the full use of our MEKO® design philosophy in order to deliver a baseline platform with a high degree of versatility in combat and platform systems. The design includes an aft FlexDeck area featuring a stern ramp and stowage space for two up to 11m-boats. In addition, the design also supports the integration of various uncrewed vehicles. This flexible approach is designed to enable adaptation to customer-specific mission system requirements. While each MEKO® A-300 is designed to be manufactured to meet the specific strategic and operational requirements of each customer, technical specifications for our MEKO® A-300 currently include an overall length of approximately 130 meters, displacement of 6,400 tons, space for five TEU-sized mission modules and support for a crew complement of 112 and 50 additional embarked personnel.

As at June 30, 2025, we had no MEKO® A-300 ships on order.

10.4.2.5 MEKO® A-400 AMD

Our MEKO® A-400 AMD is a large combat frigate featuring an innovative dual gas turbine dual diesel engine propulsion system. Designed as our most technologically sophisticated surface vessel, the MEKO® A-400 AMD is intended to incorporate a variety of ballistic missile and air-defense capabilities, such as the US-made Integrated Air Defense Aegis Combat System, the CMS330 combat management system, SPY-6 sensors and effectors such as SM2, SM6 and 3SM to support its focus on strategic strike missions, AAW and AMD operations. While each MEKO® A-400 AMD can be manufactured to meet the specific strategic and operational requirements of each customer, technical specifications for our MEKO® A-400 AMD include an overall length of approximately 160 meters, displacement of 10,400 tons, space for two TEU-sized mission modules and support for a crew complement of 150 and 75 additional embarked personnel.

As at June 30, 2025, we had no MEKO® A-400 AMD ships on firm order. We currently expect to construct an order of eight MEKO® A-400 AMD ships for the German Navy through the F127 Frigate Program, which we have assessed

as a priority tender. Should we secure the tender, construction is currently planned to be carried out through a joint venture between TKMS and NVL. For more information, see “10.5.1.2 Naval Vessels Lürssen B.V. & Co. KG”.

10.4.2.6 Baden-Württemberg-Class F125

Our F125 Frigate, designated the *Baden-Württemberg*-class in the German Navy, is a frigate first introduced in 2007 (by initial EDC). Designed to support ground forces in stabilization and forward-operating missions, the F125 features command & control, boat, helicopter and shore bombardment capabilities for the support of special forces amphibious operations, as well as a comprehensive system of electro-optic sensors and remotely operated guns designed to provide continual all-round close-range detection, tracking and engagement of asymmetric threats. The F125 is designed for intensive use, including operational service periods of up to two years without returning to home port for maintenance. Technical specifications for our F125 include an overall length of approximately 150 meters, displacement of 7,200 tons, space for two TEU-sized mission modules and support for a crew complement of 120 and up to 70 additional embarked personnel.

Since 2007, we have produced four F125 Frigates for the German Navy, all of which were still in active service as at June 30, 2025. As at June 30, 2025, we have no Order Backlog for the production of new F125 vessels. The German Navy is also considering a capability expansion of the F125 in order to better fit recent geopolitical developments and its changing operational needs.

10.4.2.7 Braunschweig-Class K130

Our K130 corvette, designated the *Braunschweig*-class in the German Navy, was first introduced in 2001 (by initial EDC). Designed to support littoral and coastal defense operations, the K130 features advanced surveillance and combat management technologies to support scalable solutions for maritime reconnaissance, patrol operations and asymmetric threat response. Technical specifications for our K130 include an overall length of approximately 90 meters, displacement of 1,840 tons, space for nine TEU-sized mission modules and support for a crew complement of 65 and 35 additional embarked personnel.

In total, the German Navy placed a procurement order for a total of 10 K130 frigates to be delivered in two, five-vessel batches (the first batch of vessels was delivered by TKMS, the second batch of vessels is to be delivered by TKMS, NVL and German Naval Yards Kiel GmbH). For more information see “10.5.1.2 Naval Vessels Lürssen B.V. & Co. KG”.

Since 2001, we have produced five K130 corvettes for the German Navy, all of which were still in active service as at June 30, 2025. As at June 30, 2025, our Order Backlog for the K130 includes the manufacture and delivery of the second batch of five ships discussed above.

10.4.2.8 New Polarstern - Special Purpose Vessel

In addition to our MEKO® warship portfolio, we design and build customized vessels designed to meet our customers’ non-military requirements.

The New Polarstern is a large research vessel currently under development for the German Federal Ministry of Education and Research and the Alfred Wegener Institute. The New Polarstern is designed to perform advanced polar research explorations with an emphasis on climate and ecosystem research. The New Polarstern will include a number of design features, including icebreaking capabilities sufficient for operations in multi-year polar ice, laboratories and research technology to facilitate the interdisciplinary study of the polar regions and a modular interior permitting adaptable research infrastructure. The New Polarstern is intended to facilitate multi-month expeditions and designed to integrate a wide range of modern scientific equipment, including deep-sea drilling systems and remotely operated vehicles. Technical specifications for the New Polarstern include an overall length of approximately 160 meters, displacement of 30,000 tons and support for a crew complement of 50 and 60 embarked researchers.

10.4.2.9 Services

We have developed robust international support capabilities by leveraging ILS, ISS functions, specialized infrastructure and cutting-edge training platforms such as ViSTIS[®] designed to deliver comprehensive services support covering global spare parts supply, engineering consulting, system integration and major modernization projects.

(I) *Maintenance*

While we also deliver in-service support for surface vessels, in contrast to our submarine service offerings, our direct involvement in routine MRO for surface vessels is more selective, with our revenue model for services in the Surface Vessels segment generally prioritizing more complex life extension projects supporting major naval fleets (e.g., the German Navy). These projects generally require closer coordination with original equipment manufacturers and include major midlife conversions, combat system enhancements and retrofit integrations of uncrewed vehicles (e.g., UUVs, USVs and uncrewed aerial vehicles). Routine maintenance and day-to-day repairs on surface vessels, which often require lower technical barriers and frequently overlap with civil shipbuilding standards, are often outsourced to third parties.

In addition to our current product portfolio, we continue to provide maintenance and technical support services for a range of legacy products no longer in production and for which we do not expect to receive further orders. These include frigates and corvettes delivered to the German Navy (i.e., the *Brandenburg*-class F123, the *Sachsen*-class F-124, F125 frigates and K130 corvette) and certain other MEKO[®] vessels delivered to our international customers (e.g., MEKO[®] 100, 200 and 360 classes). We believe these services remain a reliable baseline for our business, especially in the countries where we maintain business relationships with the overseas shipyards and companies where these vessels were constructed.

(II) *Training*

Within our Surface Vessels segment we provide training programs required for both on-board and shore-based operations. This includes training for vessel operators, maintenance and repair teams, as well as personnel involved in naval base operations. We provide these services to our customer navies and to shipyards participating in vessel build programs.

We utilize ViSTIS[®] to support our simulation-based training tailored to the operational requirements of modern surface ships. Key offerings for surface vessels include comprehensive integrated system and equipment operation and maintenance training, virtual platform familiarization and specialized modules such as the flight deck officer simulator designed to replicate real-world flight deck operations. Crew optimization and manning training as well as emergency response and battle damage control training are also available.

(III) *Integrated Logistics Support*

Our established ILS capability is designed to maximize the usability and availability of delivered vessels while taking into consideration our customers' entire support operating structure. We utilize our digital twin-based SLIS[™] to assist our customers with managing all aspects of onboard logistics, including documentation, spare parts inventory, ordering and predictive maintenance. SLIS[™] is also designed to enable improved synchronization of our vessel's logistical data with enterprise resource planning systems used by various navies or ministries of defense.

10.4.3 Atlas Electronics

Through Atlas Electronics, with primary locations in Bremen, Wedel and Flintbek, Germany and Dorset, United Kingdom, as well as locations in 10 additional countries around the world, we are a key European player in end-to-end naval warfare capabilities (*source: Company information*). Going forward, we aim to play a leading role in the development of next-generation naval systems. We are a global supplier to over 40 navies and specialize in equipping submarines and surface combatants with integrated sensor, command & control, and weapon control systems. We

also provide a comprehensive product portfolio encompassing naval weapon systems, communications, maritime security solutions, mine warfare, anti-submarine warfare and uncrewed vehicles, as well as comprehensive lifecycle support and logistical services.

For the fiscal year ended September 30, 2024, our Atlas Electronics segment generated sales of €589.8 million and a gross margin of €143.6 million, representing 29.7% and 45.9% of our total sales and gross margin during the same period, respectively.

We offer an integrated portfolio of naval systems designed for interoperability across platforms and missions. We structure our integrated portfolio into the following four core categories: Maritime Awareness, Networked Operations, Dynamic Forces, and Services.

10.4.3.1 Maritime Awareness

Maritime awareness encompasses the complete range of sensor technologies for the detection, classification and tracking of underwater targets. This includes the collection, processing and analysis of raw data into an integrated, operator-focused situational awareness picture. Our maritime awareness products are designed to provide a comprehensive understanding of the underwater environment, enabling operational decision-making across multiple warfare areas, including submarine and surface vessel systems supporting, in particular, ASW and MW operations. Solutions from our maritime awareness portfolio include the following:

(I) Submarine sensor solutions

Our Compact Sonar Underwater (“**CSU 100**”) is engineered to improve the operational effectiveness of our submarines through enhanced integration with existing Atlas Electronics combat management systems, providing comprehensive underwater situational awareness and support. Designed for stealth and mission versatility, our CSU 100 integrates passive, short-time signal and active sonar capabilities for comprehensive detection, classification and tracking of targets across a broad range of frequencies.

(II) Anti-submarine sensor solutions

We provide a comprehensive portfolio of anti-submarine sensor solutions, ranging from hull-mounted systems for general-purpose vessels to dedicated towed array sonar systems for specialized ASW platforms. For example, our Atlas Hull-Mounted Sonar (“**ASO**”) is designed for vessels without dedicated ASW capabilities and integrates both active and passive modes for a complete underwater warfare suite. As a well-established, integrated solution, our ASO is deployed on over 100 warships worldwide, as at June 30, 2025 (*source: Company information*). For dedicated ASW assets, our Active Towed Array Sonar (“**ACTAS**”) represents the premier ASW offering in our product portfolio. ACTAS integrates both active and passive capabilities utilizing a towed array and transmitter and is designed to deliver extended target detection ranges and optimized performance for independent or collaborative operations. We are continually evolving both products, with current engineering efforts focused on enhanced torpedo defense and underwater drone detection capabilities.

(III) Mine Hunting Sonars

Our mine hunting sonars are designed to maximize the effectiveness of our customers’ mine countermeasure operations by delivering high-resolution imagery from seabed to surface. Our mine hunting sonars are engineered to enable precise classification of submerged objects and environmental features, with two primary variants currently offered: the HMS-12M and the synthetic aperture sonar (“**SAS**”). The HMS-12M is a three-frequency, hull-mounted sonar made from nonmagnetic steel and designed to offer long-range, high-resolution detection while maintaining full operational functionality even after nearby mine detonations. Our SAS is integrated into platforms such as the SeaCat UUV or towed bodies and includes advanced AI-based target recognition designed to support accurate object classification and informed decision-making.

(IV) *Maritime Security Systems*

Our Cerberus® Diver Detection Sonar (“**DDS**”) is a lightweight, portable and cost-effective solution for underwater security. DDS is designed for both shipboard and fixed installation use and engineered to provide 360-degree detection and monitoring coverage, including automated multi-target detection, classification and tracking of divers and swimmer delivery vehicles. DDS also features integrated alarms to enhance situational awareness.

(V) *Acoustic Intelligence*

We believe that effective underwater operations depend on detailed reconnaissance, situational awareness and secure data exchange. To that end, we offer a variety of advanced hydroacoustic systems designed for collecting and analyzing acoustic intelligence (“**ACINT**”), covering noise signature evaluation, target classification, underwater communication and precise bi-/multi-static localization. We align the development process for our hydroacoustic systems in collaboration with our naval customers, for example the Germany Navy’s Hydroacoustic Analysis Center (*Hydroakustisches Analysezentrum*), to ensure our ACINT products meet operational requirements.

Our multi-function sonobuoy processing system (“**SONIX**”) provides integrated ASW capabilities for recording and analyzing acoustic and tactical data to support target classification, localization and long-term signal analysis. SONIX can operate as a standalone system or be integrated into a vessel’s sonar system or combat management system and includes a training simulation mode.

Our Shore Based Information Center is a PC-based post-mission analysis system designed to process sonar data from submarines, surface vessels and maritime patrol aircraft, including rapid ACINT processing and efficient extraction of target signatures, in order to enhance our customers’ long-term surveillance capabilities and strengthens their intelligence databases.

(VI) *SONAR AI*

We believe SONAR AI is our key technology for automated underwater situational awareness, characterized by high robustness and sensitivity and engineered to enable the reliable detection of anomalies and the analysis of maritime unit behavior patterns. Leveraging advanced AI, SONAR AI is designed to provide operators with enhanced support for maritime assessment operations and accelerate decision-making processes through the efficient analysis of complex underwater data.

10.4.3.2 Networked Operations

Networked operations encompasses advanced command & control systems designed to integrate submarine systems, surface vessel systems and MW operations. Networked operations also include platform-agnostic communications systems, autonomous operating systems for uncrewed vehicles and tactical data links, forming the command center of our sensor-to-shooter architecture. Based on real-time information from our sensor and intelligence systems, our networked operations solutions are designed to enable operators to execute operations with unprecedented speed and precision and achieve a dominant position in the naval battlefield.

(I) *Command & Control System Solutions*

Our ISUS 100 is an advanced submarine combat system designed for operation in challenging maritime environments. ISUS 100 is designed to provide a single, integrated solution for threat neutralization by combining sensors, systems and effectors across the complete functional chain – from threat detection and analysis to target engagement. ISUS 100 is fully compatible with Atlas Electronics’ suite of submarine sensors and is engineered for seamless integration with our effectors, including our SeaHake™ torpedo family, as well as integration with effectors from other OEMs. ISUS 100 is designed to minimize operator workload through intelligent data management and automation, delivering enhanced situational awareness and enabling effective response options to evolving threats. ISUS 100’s modular open architecture is also designed to allow tailoring to specific operational requirements and is engineered to facilitate the integration of third-party applications and planned future upgrades. The ISUS 100 is also

a fully integrated part of the latest generation multi-domain combat system ORCCA® designed with our partners. ORCCA® is offered by KTA Naval Systems. For more information on KTA Naval Systems see “– *Joint Ventures and Strategic Partnerships – Industrial Cooperation – Kongsberg Gruppen ASA*”.

(II) *Surface Vessel System Solutions*

Our advanced command & control system for surface vessels is a battle-proven system originally developed for the German Navy’s F124 and K130 vessels, with further enhancements made to support integration onboard the Class 125 frigate. Serving as the technological backbone of a naval surface combatant, our advanced command & control system is designed to unify a vessel’s sensors, communications and weapon systems into a single, intuitive interface for threat detection, identification, and engagement. Our advanced command & control system features a modular and scalable design that is engineered to ensure high availability, reduced maintenance and sustained deployment. Designed to meet applicable NATO standards and provide support across a diverse range of warfare areas, our advanced command & control system also supports both classified and non-classified networks and is currently under development for a flexible microservice architecture to facilitate integration with third-party combat management systems.

(III) *Mine Warfare System Solutions*

Our IMCMS is a scalable, modular framework designed for efficient and precise execution of modern mine warfare operations. IMCMS is engineered to integrate a diverse range of MCM assets, including mine hunting sonar, manned vehicles, UUVs and USVs, to facilitate the comprehensive detection, classification, identification and disposal of all mine types as well as enhance operator situational awareness and enable more effective response options to evolving mine threats. At the core of IMCMS is the Mine Warfare Data Centre, which is designed to provide robust mission and asset management capabilities and task planning across a variety of operational scenarios.

Our Combined Influence Sweep System (“**ACISS**”), developed by TKMS Atlas UK (“**Atlas UK**”), is a comprehensive mine sweeping solution. ACISS integrates the Total Mine Simulation System (“**TMSS**”), a software component dedicated to optimizing a vessel’s mine sweeping strategy and enhancing self-protection. Analytical results are visualized through SPMexpert, which provides the primary interface for assessment and decision support. ACISS, TMSS and SPMexpert are offered as a combined product suite for maximum effectiveness in minesweeping operations.

(IV) *Integrated Communications Systems*

Our integrated communications system is a modular communication suite developed by TKMS Hagenuk Marinekommunikation GmbH (“**Hagenuk**”), a German subsidiary of Atlas Electronics, for use on both submarines and naval surface vessels. It is designed to provide secure, reliable and interoperable voice and data communications across all operational domains, supporting shipboard, fleet-wide and joint-force connectivity. Its modular design is also engineered for integration with standard radio equipment, navigation systems and combat management systems, ensuring robust interconnectivity within a vessel’s operational architecture. Built on a secure IP-based backbone, our integrated communications system is intended to support a full range of communication channels and complies with contemporary NATO military cybersecurity standards and international maritime regulations.

(V) *Tactical Data Link System Solutions*

The Atlas Data Link System (“**ADLiS**”) is a sophisticated communication system designed to facilitate the real-time integration and secure exchange of data between naval, airborne, and ground platforms. ADLiS provides task force commanders and operational units with a common operational picture, enhancing tactical efficiency. Compatible with existing combat management systems and NATO standard data links (including Link 11, 16, and 22), it also supports Link A for data exchange with non-NATO units. ADLiS is available as an integrated solution in all Atlas Electronics combat systems, including the system solutions discussed above.

(VI) *Command & Control Solutions for Autonomous Assets*

JAGOS is a software environment designed to enable electronically controlled watercraft (above or below water) to be operated and monitored from a shore- or ship-based command & control center, rather than requiring an onboard crew. JAGOS has been engineered to support all levels of autonomy, from simple remote control to fully autonomous mission execution and leverages AI solutions to support operators in executing operationally complex mission profiles. Based on customer needs, JAGOS's scalable design is suitable for both civilian applications in offshore industry and military applications.

(VII) *Digital Combat System TWIN*

This simulation framework is a modern and scalable platform designed to replicate the “digital twin” of a naval warship or naval battlefield for the virtual execution of logistics or combat scenarios. It is engineered to support the design, simulation, and evaluation of concepts for the operation and integration of autonomous naval solutions and the development of AI services. The framework features an open network architecture for the integration of third-party simulation software based on the distributed interactive simulation and high-level architecture standards, as well as proprietary application programming interfaces. It can also be integrated into a customers' development, security and operations processes to provide a simulation platform for validating command & control microservices in preparation for tactical deployments.

10.4.3.3 Dynamic Forces

Our dynamic forces portfolio provides offensive and defensive capabilities across key maritime threat domains. Our dynamic forces portfolio encompasses torpedoes, anti-torpedo torpedoes, mine disposal systems and additional uncrewed and crewed systems designed to enable operators to react to evolving threats with a range of dynamic options, from employing lethal effectors to utilizing uncrewed and crewed platforms for deterrence or operational engagement. Through our dynamic forces portfolio, we seek to provide our customers with flexible and scalable defense capabilities designed to ensure survivability and mission success in contested naval environments across multiple domains.

(I) *Torpedoes*

Our SeaHake™ is a sophisticated, fiber-optic wire-guided heavyweight torpedo developed for operations in both confined and deep-water environments. Designed for integration with a number of modern naval platforms and combat management systems, SeaHake™ is optimized for operation with Atlas Electronics weapons control solutions and is compatible with a wide range of launching systems as well as other submarine combat systems. SeaHake™ features a modular battery-driven electric propulsion system designed to deliver high speed and extended ranges while maintaining a low acoustic signature. It also includes an advanced digital sonar seeker designed for multi-target scenarios and complex environments. We are currently developing the next variant of our SeaHake™ torpedo, the SeaHake™ mod5, which we are engineering for improved target acquisition and tracking as well as enhanced survivability. We currently plan to launch the SeaHake™ mod5 in 2029.

(II) *Anti-Torpedo Torpedoes*

Our SeaSpider® is engineered to be the world's first dedicated ATT and designed as a “hard kill” counter to torpedo attacks on ships and submarines in both shallow and open water (*source: Company information*). Featuring a fully digitized homing sonar designed for simultaneous passive, active and intercept modes, SeaSpider® is specifically designed for its ATT role without multi-mission trade-offs. SeaSpider® also integrates engineering concepts to reduce both procurement and operational costs. As such, we believe the SeaSpider® offers our customers a valuable capability to optimize the cost-per-kill effectiveness of their defensive effector inventory. The continued development of SeaSpider® is currently being fully financed by TKMS and Atlas Electronics and is expected to conclude during 2026 with the start of the initial rate production phase. This phase is designed to provide systems and hardware for certification and prepare SeaSpider® for its initial deployment within a multinational program under the umbrella of

the Permanent Structured Cooperation (PESCO) of the European Defence Agency. Full-scale production is projected to begin by 2030. Combined with our torpedo portfolio, we believe our anti-torpedo capabilities position us as a comprehensive provider of both offensive and defensive effector solutions, offering a distinct competitive advantage and enabling synergies through integrated development.

(III) *Mine Disposal Systems*

Our SeaFox Mine Disposal System is designed for the rapid disposal of various mine types, including ground, tethered and drifting mines, at depths up to 300 meters. SeaFox is engineered based on the expendable mine disposal vehicle principle and consists of two key components: the SeaFox C UUV, equipped with a shaped charge warhead for direct mine destruction, and the SeaFox I UUV, a reusable inspection vehicle for mine identification and training. A SeaFox T variant is also available for training purposes.

SeaFox UUVs are fiber-optically tethered to an operator console for robust data transmission and feature high-frequency scanning sonar, an echo sounder, real-time CCTV and an underwater tracking device. SeaFox can be fully integrated into our IMCMS or operated as a standalone solution with tailored variants. As a cost-effective alternative to SeaFox C, we also offer a SeaFox I add-on, “Cobra Mask,” which can be attached to identified mines for neutralization without destroying SeaFox I. Cobra Mask is also designed to facilitate mine disposal operations in shallow water and against historic ordnance. We believe that SeaFox’s market presence, with more than 4,000 units sold since 2001, demonstrates the scalability of our uncrewed asset portfolio (*source: Company information*).

(IV) *Uncrewed Vehicles*

Our uncrewed vehicle systems are versatile platforms designed to meet a diverse range of underwater and maritime mission requirements.

Our SeaCat autonomous underwater vehicle system is equipped with our specialized modular payload packages, features a flooded bow section and interchangeable head configurations containing different integrated sensor payloads. SeaCat is designed for rapid adaptability and the execution of operational tasks ranging from civilian tasks like hydrographic surveys, environmental monitoring, tunnel and harbor inspections to military operations like naval mine countermeasures, underwater reconnaissance and more.

The ARCIMS modular USV system (“**ARCIMS**”), built by Atlas UK, is designed to accommodate a variety of reconfigurable mission modules and payloads, including towed array sonars, sonobuoy systems and UUVs, and intended for use supporting multiple mission sets including minesweeping, mine hunting and disposal, coastal surveillance, hydrography and maritime security. ARCIMS features an open systems architecture command, control, and communications system offering an end-to-end workflow that guides operators through mission planning, execution, analysis and reporting. The system is capable of integrated or standalone operation. The command, control, and communications system’s intuitive human machine interface is engineered with high data rate communications infrastructure and onboard sensors to provide real-time situational awareness and remote control of the ARCIMS USV, with manual and autonomous navigational control modes available. ARCIMS is also available as a crewed solution: SEA Class Workboats represent a range of modular marine craft designed for crewed multi-mission roles within naval operations.

10.4.3.4 Services

We have developed robust international support capabilities by leveraging ILS, ISS functions, specialized infrastructure and cutting-edge training platforms such as ViSTIS® designed to deliver comprehensive services support covering global spare parts supply, engineering consulting, system integration and major modernization projects.

(I) *Maintenance*

Our Atlas Electronics product services are generally characterized by long-term support arrangements, typically spanning periods of 20 to 30 years and designed to meet the long-term operational and technological needs of our defense customers. Atlas Electronics services include, for example, the supply of spare parts, product repairs, obsolescence management and comprehensive system overhauls or refits designed to ensure both continuity of capability and adaptability as the requirements of our customers evolve. To sustain high levels of availability and responsiveness throughout the lifecycle of our deployed systems, we often enter into framework agreements with our customers. We believe these agreements, which frequently focus on spare parts provisioning and repair services, reflect the essential operational function and strategic significance of our Atlas Electronics solutions in high-value naval programs.

(II) *Training*

Within our Atlas Electronics segment we utilize ViSTIS[®] to provide our customers with targeted, interactive courses for operators and maintainers of naval electronics and software. These include tailored, system-specific virtual troubleshooting or maintenance trainings specific to Atlas Electronics products.

(III) *Integrated Logistics Support*

We utilize our digital twin-based SLIS[™] to assist our customers with managing all aspects of onboard logistics, including documentation, spare parts inventory, ordering and predictive maintenance. SLIS[™] is also designed to enable improved synchronization of our vessel's logistical data with enterprise resource planning systems used by navies or ministries of defense.

10.4.4 NXTGEN Engineering

On June 2, 2023, we launched our NXTGEN Engineering operating branch to expand our existing product portfolio and address the growing demand for innovative and sustainable solutions in the civilian maritime sector. Leveraging our expertise in high-tech shipbuilding, NXTGEN Engineering was envisioned to take advantage of our existing naval product portfolio and adapt many of our solutions for civilian use. Our NXTGEN Engineering product offering includes solutions in the areas of maritime security, uncrewed systems surveying, explosive ordnance disposal, special shipbuilding and platform construction.

10.5 Cooperations and Strategic Partnerships

Cooperations and industrial partnerships, often essential in defense procurement, support our production capacity and flexibility, our technological collaboration and our alignment with offset requirements. We seek strategic construction partnerships to enable flexibility in our production capacity and improve construction efficiency through leveraging Europe's often fragmented military production facilities.

10.5.1 Industrial Cooperation

In many cases, our customers' large systems governmental procurement projects require the generation of added value to their domestic manufacturing base and/or the transfer of technology or technological know-how from the seller, referred to as an "offset" or an "industrial cooperation". As such, in addition to our own organic warship production capabilities, we also specialize in assisting our customers with the in-country manufacture of submarines and surface vessels. Further, we aim to optimize shipbuilding know-how and knowledge transfers to our customers by providing engineering and construction training and technical support throughout a vessel's production cycle.

When in-country manufacturing is chosen as the production method of choice, we seek to offer scalable solutions tailored to meet our customers' diverse needs and bolster their domestic industrial bases through increased demand for local manufacturing capacity. Technical assistance and support are integral components of our offering. We provide consulting and advisory services throughout the entire construction process, including quality control and acceptance tests and across a broad range of technical domains, including ship's theory, hull, propulsion, electrical,

command & control and auxiliary systems, outfitting and armament. Further, we craft our tailored material packages with the aim of matching the quality, sizes and quantities expected in the production of warships at our own shipyards in Germany. Our just-in-time transfer of production documents is specifically tailored to customer needs, facilitating integration into the existing manufacturing processes. Examples of our industrial cooperations include the following:

10.5.2 Equity Participations

10.5.2.1 Kongsberg Gruppen ASA

On February 3, 2017, the Norwegian government announced its decision to select Germany as a strategic partner for building its new generation of submarines. Following this decision, TKMS (33.33% ownership stake), Atlas Electronics (16.67% ownership stake) and the Norwegian defense manufacturer Kongsberg Gruppen ASA (“**Kongsberg**”), through its subsidiary Kongsberg Defence & Aerospace AS, established the 50/50 joint venture KTA Naval Systems for the development, production and maintenance of the combat system integrated into TKMS’s proposed design, the Type 212CD. The formation of KTA Naval Systems was cleared by the competent competition authorities in 2017. On July 8, 2021, TKMS was awarded the joint procurement contract and was officially commissioned to build six identical Type 212CD submarines, two for the German Navy and four for the Royal Norwegian Navy. The procurement contract also included an option for the purchase of six additional submarines, four by Germany and two by Norway. On December 18, 2024, the German Bundestag voted in favor of executing the procurement option for four additional Type 212CD submarines. On September 20, 2023, TKMS began initial production of the first Type 212CD submarines and, following a successful critical design review in cooperation with the German-Norwegian Joint Project Organization, the Norwegian Defence Materiel Agency (*Forsvarsmateriell*) and BAAINBw concluded the design phase on September 18, 2024. Delivery of the initial boat to the Royal Norwegian Navy is currently scheduled for 2029 and initial testing is scheduled to start in 2027. Delivery of the initial boat to the German Navy is currently scheduled for 2031.

On June 2, 2025, Kongsberg and TKMS entered a cooperation agreement aimed at fostering further industrial collaboration. Under the terms of this agreement, the two companies will aim to explore opportunities for long-term collaboration in current and future joint programs across all military sectors, *e.g.*, the Vanguard vessel system, which is a strategic partnership for through-life support for new frigates, strike missiles, maritime surveillance and targeting and ship system deliveries to both nations’ frigates and additional naval ships.

10.5.2.2 Naval Vessels Lürssen B.V. & Co. KG

On September 2, 2024, the German Federal Cartel Office (*Bundeskartellamt*) cleared the creation of the joint venture A 400 Frigate Company GmbH (the “**A-400 Frigate Company**”) between TKMS (66.7% ownership stake in the A-400 Frigate Company) and NVL (33.3% ownership stake in the A-400 Frigate Company). The companies intended to jointly prepare and submit a tender for the design and construction of the future F127 frigate to the German Navy. Construction of the F127 is subject to parliamentary approval of the tender award under the F127 Frigate Program. The F127 Frigate Program is expected to include a call for tender to design and manufacture five F127 frigates (including the option for a sixth vessel). On September 3, 2024, TKMS and NVL entered into a binding cooperation agreement for the development and potential construction of the proposed F127 frigates based on TKMS’s MEKO® A-400 AMD design. The A-400 Frigate Company was awarded a first design contract by BAAINBw in December 2024. BAAINBw currently intends to award the contract for construction of the Class 127 in mid-2026, following parliamentary approvals.

10.5.2.3 Embraer Defense & Security SA and Atech SA

On March 5, 2020, a consortium of Águas Azuis Construção Naval SPE Ltda., a company created by TKMS (75% ownership) and the Brazilian companies Embraer Defense & Security SA and Atech SA (together 25% ownership), signed a contract to build four MEKO® A-100 corvettes, designated the *Tamandaré-class* (“**CCT**”) by the Brazilian Navy, for Emgepron SOE, a Brazilian state-owned company linked to the Ministry of Defense through the Brazilian

Navy Command. The CCT program is aimed at both expanding and modernizing the Brazilian Navy's fleet, with all corvettes expected to be commissioned by 2029.

10.5.3 Contractual Cooperations

10.5.3.1 Mazagon Dock Shipbuilders Limited

On June 7, 2023, TKMS signed a memorandum of understanding with Mazagon to jointly bid for, and if successful collaborate on, the building of nine submarines (comprising six fully constructed submarines and three delivered as material packages) in India for the Indian Navy under the country's Project-75(I). The memorandum of understanding is intended to build on the prior success of TKMS's Indo-German projects in the 1980s, whereby four Type 209 submarines were delivered to the Indian Navy (designated the *Shishumar*-class). The initial two boats in the class were manufactured at TKMS shipyards in Germany, with boats three and four in the class being constructed at the Mazagon shipyard in India. Under the terms of the memorandum of understanding, TKMS would contribute submarine engineering and design competencies and licenses, act as a supplier of critical construction components and provide consultancy support regarding vessel construction and shipyard development, while Mazagon would be responsible for platform construction and delivery. By August 31, 2025, TKMS and Mazagon had completed all services for the concept design agreement between the companies. On September 11, 2025, TKMS and Mazagon entered into official contract negotiations with the Indian procurement authority for the construction of six submarines under Project-75(I).

On July 27, 2023, TKMS and Mazagon entered into a separate contract to undertake the major modernization of the *INS SHANKUSH*, one of the four Type 209 submarines delivered to the Indian Navy as part of a previous collaboration with Mazagon. Under the terms of the agreement, TKMS is responsible for providing essential materials, systems and on-site support, with Mazagon responsible for handling general contracting duties until completion.

10.5.3.2 Fincantieri S.p.A.

On April 16, 2025, TKMS and the Italian shipbuilding company Fincantieri signed a preliminary industrial cooperation agreement that seeks to supply the Philippine Navy with their next generation of advanced submarine as part of the country's Horizon III military modernization initiative. Under the industrial cooperation agreement, TKMS and Fincantieri preliminarily outlined principles governing the tender and the pre-contract phase for a potential proposal to be submitted by Fincantieri to build and deliver two U212 NFS submarines, an evolution of the Type 212A featuring advancements in acoustic, magnetic and visual signature reduction technologies, including AIP technology first introduced on the Type 212A. The U212 NFS is currently being produced by Fincantieri for the Italian Navy. If awarded a procurement contract for the U212 NFS, Fincantieri would act as general contractor, including sole and complete liability to the Philippine Navy. TKMS would act as Fincantieri's subcontractor.

10.5.3.3 Heinrich Rönner Group

In September 2018, TKMS entered into an agreement with the Arab Republic of Egypt to build four MEKO® A-200 frigates for the Egyptian Navy. In this context, TKMS entered into an agreement with subcontractor Stahlbau Nord GmbH, a subsidiary of the Heinrich Rönner Group, for the construction and delivery of the initial three frigates at Bremerhaven, Germany, completed in 2022 and 2023. Highlighting the ability of our scalable, unified MEKO® platform base to facilitate more efficient lead times, the first vessel of the class, the frigate *AL-AZIZ*, was delivered to the Egyptian Navy after only 38 months of the contract becoming effective. The fourth frigate is currently under construction at Alexandria Shipyard in Alexandria, Egypt and is scheduled for delivery within the decade.

10.5.3.4 VEM Technologies Pvt. Ltd.

On September 3, 2025, TKMS entered into a memorandum of understanding with VEM Technologies Pvt. Ltd. ("**VEM Technologies**"), an Indian defense manufacturer with expertise in the design, development and manufacture of weapon systems and systems for airborne platforms. The memorandum of understanding provides for the joint development, production, integration, testing and modernization of heavyweight torpedoes and is intended to further

the aims of the Indian government's 'Make-in-India' initiative. Under the memorandum of understanding, VEM Technologies will assume responsibility for the integration and testing of torpedoes in India, supported by TKMS and Atlas Electronics.

10.5.4 Innovation

In addition to our manufacturing partnerships, we actively engage in collaborative efforts with commercial partners and research institutions to drive innovation and reduce the time-to-market for certain of our products currently in development. For example, our innovation programs are supported by strong collaborations with leading German and international research institutions designed to accelerate the transition of innovative technologies into practical defense solutions. We work closely with the German Aerospace Center (*Deutsches Zentrum für Luft- und Raumfahrt e.V.*) on a number of workstreams including critical infrastructure protection, autonomy, sensor systems and quantum technology. In addition, we collaborate with several Fraunhofer Institutes on projects related to cybersecurity, AI-driven data analysis and resilient communications and our strategic partnerships with universities, including the Helmut Schmidt University in Hamburg, Technical University of Rostock and University of Applied Sciences Bremen, are designed to facilitate joint research initiatives and talent development in AI, robotics and engineering. Further, we have entered into collaborations with research institutes specializing in oceanography, hydroacoustic and underwater technologies to support our technological advancements in those areas. Due to the complexity of our products as well as our customers' diverse requirements, our partnership strategy in this area often involves accessing specialized expertise, deploying advanced technologies ready for implementation and achieving cost efficiencies through shared development. Notable recent innovation collaborations include:

10.5.4.1 Israel Aerospace Industries

Through Atlas Electronics, we are collaborating with a subsidiary of Israel Aerospace Industries ("IAI"), the IAI ELTA Group, on the joint development of an advanced, minimal infrastructure ASW capability integrating IAI's multi-mission BlueWhale UUV with an Atlas Electronics proprietary towed sonar. In contrast to existing towed sonars, the combined system is designed to function at depths traditionally exploited by submarines to avoid detection. The combined system also features a separate, deployable Atlas Electronics transmitter which, in coordination with Atlas Electronics' towed passive sonar triplet array, is engineered to enable bistatic location and tracking of submarine targets by BlueWhale.

10.5.4.2 Diehl Defence Group

The cooperation between TKMS and Diehl for the development of IDAS for submarines (the "IDAS Consortium") was cleared by the competent competition authorities in June 2021. IDAS is designed to improve survivability by enabling a submarine to engage rotary-wing ASW threats while remaining submerged. The system comprises three main components: the IDAS missile, an ejection container compatible with standard torpedo tubes and a missile control system. IDAS operates utilizing a fully integrated thrust piston system within the ejection container to launch an IDAS missile, which then transits underwater before breaching the surface and transitioning to flight. Throughout its trajectory, a fiber-optic link between the IDAS missile and missile control system, integrated into the submarine's broader weapons control system, provides real-time visual tracking and target verification. We conducted initial IDAS test firings during the systems initial design phase between 2015 and 2017. In 2019, BAAINBw released a request for proposal to the IDAS Consortium with respect to the final development and qualification of the IDAS system and its integration into the Type 212A submarines of the German Navy. In 2024, BAAINBw entered into a final development contract with the IDAS Consortium, which is currently scheduled for completion in 2032. Notably, the development for IDAS is largely customer-funded, with approximately 90% of costs covered by the German federal defense budget.

10.5.4.3 Modifiable Uncrewed Mothership

The MUM is a modular XLUUV designed for a broad range of underwater missions, including industrial operations, scientific research, and offshore activities. Powered by hydrogen fuel cells and lithium-ion batteries, the MUM has a configurable architecture designed to enable the integration of custom modules to meet specific operational

requirements. A consortium for the development of the MUM was established in 2017 and co-funded by the German Federal Ministry for Economic Affairs and Energy, with partners contributing their expertise in distinct technological domains. TKMS provides R&D for platform development as well as integration of systems provided by other consortium members. EvoLogics GmbH provides intelligent autonomous swarm vehicles and underwater acoustic communication systems designed to enhance adaptive navigation and networking. Fraunhofer Institute delivers cybersecurity capabilities, including risk analysis, cyber-attack protection and secure operation of remote and autonomous systems. The German Aerospace Center (*Deutsches Zentrum für Luft- und Raumfahrt*) supplies advanced sensor systems and AI-based evaluation methods for reliable object and environment detection, supporting compliance with maritime collision-avoidance regulations and enabling advanced control functions. Technische Universität Berlin (TU Berlin) contributes expertise in maritime system design and operations, focusing on simulation and modelling to support design, control, and mission management. Together, these contributions advance the MUM program toward delivering a flexible, technologically advanced underwater platform capable of meeting a diverse range of mission requirements in challenging maritime environments.

10.5.4.4 GhostPlay@SEA

Through Atlas Electronics, we are serving as the industry consortium leader on the GhostPlay@SEA project (“**GhostPlay@SEA**”). Designed to build off a previous version of the GhostPlay program’s “defense metaverse”, a high-performance simulation environment developed for evaluating land and air-based AI combat scenarios, GhostPlay@SEA seeks to incorporate a maritime dimension by integrating innovative AI with advanced simulation technologies to create a virtual training environment for simulating maritime warfare scenarios. Such scenarios include, for example, evaluating potential threats such as drone swarms and autonomous submarines, as well as optimizing tactical decision-making processes for future naval operations. By simulating highly complex combat scenarios in a controlled digital environment, the program seeks to research AI-supported methods for developing and evaluating both new and established naval tactics and decision-making processes. The GhostPlay@SEA project is funded by the Bundeswehr’s dtcc.bw technology program and collaboration partners include 21strategies GmbH, Borchert Research & Consulting AG, the Helmut Schmidt University/University of the Bundeswehr Hamburg, Hensoldt AG and Rheinmetall AG.

10.6 Data Analytics and Artificial Intelligence

We recognize the strategic importance of AI in addressing the demands of an increasingly interconnected and complex naval battlefield. For example, as the defense landscape evolves to include enhanced traditional platforms and emergent autonomous, uncrewed systems with a growing reliance on AI-enabled navigational and operational capabilities, effective AI solutions are becoming increasingly essential to support the interoperability and coordination of these assets, their associated subsystems and processes. To that end, we are continuously developing AI-powered solutions for the maritime domain including SONAR AI, automated target recognition software and other AI-based solutions. In addition, to remain competitive and further expand our position in this growing field, we seek to leverage both our Atlas Electronics and TCCT AI capabilities for our new AI-focused entity, serving as a competency hub for AI to deliver advanced AI-driven solutions designed to ensure the availability and combat-readiness of our maritime platforms and systems across our Submarines, Surface Vessels and Atlas Electronics operating segments. We will focus on developing and commercializing three critical AI use cases for naval warfare: Availability AI, Tactical AI and AI-based surveillance & combat systems.

Availability AI solutions are intended to enhance the operational availability of traditional and uncrewed naval platforms. These solutions aim to employ predictive and prescriptive maintenance techniques and automation to increase platform availability and combat-readiness, including, for example, forecasting pre-deployment issues, optimizing fuel usage and automating propulsion and energy systems.

Tactical AI solutions are designed to improve real-time tactical decision-making by integrating software-defined tactics into real-world scenarios, offering enhanced contextual and consequence-based awareness for naval operations. Applications include optimizing weapon and sensor system assignments, adapting naval mission tactics

to the health and operational status of assets and supporting the execution of maneuvering strategies, such as swarm-based and autonomous steering for uncrewed systems, to address potential maritime threats.

The development of our AI-based surveillance & combat system solutions currently focuses on the automatization and acceleration of the sensor-to-shooter chain.

TCCT is expected to remain a separate legal entity after the Spin-off, with Atlas Electronics responsible for steering the defense-related business.

10.7 Research and Development

Our research and development (“R&D”) projects aim to develop effective solutions that meet the unique operational needs of our naval customers. We use our experience with proven technologies to tackle both current and future challenges, enabling us to deliver advanced designs and systems. In addition, our R&D projects include the development of new methods, processes and tools designed to improve the quality of offered products and services, reduce production costs, or shorten production lead times. Many of our products feature a high degree of modularity and are manufactured to support long operational service lives of up to 40 years. Therefore, in addition to new developments within and outside the existing product lines, our innovation efforts mainly focus on progress that benefits our longstanding customer base as our platforms and integrated systems often see multiple iterations of extensive upgrading and overhaul.

For the fiscal year ended September 30, 2024, R&D costs (which we do not capitalize), represented 2.4% of sales revenue. These costs do not include R&D activities incurred to initiate, plan and execute development projects on an order-specific basis and focus on meeting our customers’ specific requirements. These projects are generally funded by our customers, with costs assigned to the respective customer contract. We also conduct government-funded R&D based on grants provided by governments or the European Commission, for example the European Defense Fund.

Our strategic R&D planning process is designed to ensure the consideration of both current market forces and the future technology needs of our customers in the allocation of R&D resources and the development of new products. Our decentralized approach to R&D and innovation is governed by a central unit at TKMS, with operating segments responsible for segment-specific R&D and innovation efforts. Subject-matter experts within each operation segment are responsible for managing both innovation within their respective operating segment as well as harmonizing innovation efforts across segments.

Our R&D planning process begins with opportunity identification, with each segment assessing its existing product structure as well as external market developments to derive trends and conceptualize new and innovative solutions to enhance and expand their existing product portfolio. Following approval, a new R&D project enters the design stage where required features are developed and, if feasible, prototypes are built for testing (this generally includes only individual technologies such as SeaSpider® or sub-systems/small scale vehicles rather than entire platforms). These prototypes are continuously iterated and enhanced until they reach technological maturity. After this point and commercial acceptance of the product, implementation and scaling of the production picks up to embed the product in the product portfolio of TKMS.

Continuous investments in R&D and technology are crucial for providing mission-focused solutions to our customers. We have identified several key areas for R&D investment, including:

New designs: We derive our new designs for submarines and naval surface vessels from our proven technology. We intend to maintain modularity and cost-efficiency as key development areas for our new platform designs. Regarding our Submarines operating segment, we plan to continue our focus on new submarine designs in the range of <1,400- and >3,000-ton displacement to complement our existing product portfolio. For Surface Vessels, the development of our new MEKO® layouts aims to further improve operational availability, interoperability and flexibility of our naval surface units.

Signature reduction: We believe we are a frontrunner in the development of new stealth technology for naval assets and we continue to investigate and pursue further possibilities in the area of signature reduction. In this regard, our R&D projects focus on minimizing the acoustic, magnetic and target echo strength of our products. This has led, for example, to our substitution of certain metallic components for composites on our submarines as well as the development of more advanced hull and superstructure profiles designed to enhance the overall stealth-based characteristics of our naval boats and surface vessels.

Energy/propulsion systems: We continue to optimize the layout and performance of the energy and propulsion systems of our submarines and naval surface vessels based on advancements in model-based design and structural analysis of computational fluid and air flow dynamics. In addition, we continue to invest in the development of new energy sources, such as fuel cell generator sets and lithium-ion batteries for our submarines, as well as in advancements in hybrid-electric propulsion and submerged waterjet technologies.

Mission enablers: We believe the development and integration of novel sensor and effector systems is of vital importance to the current and future operational and tactical success of our customers. As such, we continue to develop flexible payload systems based on the requirements of our customers from their initial testing phases through to series-production readiness. Major projects include the development of a vertical multi-purpose lock for integrating flexible mission modules onboard our submarines and the integration of uncrewed vehicles on our submarines and naval surface vessels. In addition, we are in the process of introducing our submarine-based IDAS, a fiber-guided missile system designed to provide a submarine with self-defense capabilities against airborne, rotary-wing threats.

Automation and robotics: We recognize that increased use of automation and robotics in the maritime domain will deliver greater efficiency, precision and safety for naval operations. To remain competitive and meet the demand for increasingly complex missions, we are actively embracing the design, development and implementation of these technologies. Our focus includes the development of mission systems for uncrewed maritime systems, as well as new, uncrewed additions to the TKMS fleet such as Stargazer® and the MEKO® S-X uncrewed semi-submersible platform, furthering our capabilities and presence within the uncrewed systems sector.

Future readiness: We are prioritizing advancements in our AI and software solutions to ensure the long-term readiness and effectiveness of our product portfolio. Our core focus areas include AI-enhanced sea warfare (e.g., AI-based decision-making, threat assessment and electronic warfare), facilitating multi-domain operations through solutions designed to integrate naval platforms across sea, air, land, space and cyber domains and advancing software defined defense and AI-driven software defined tactics solution to ensure greater flexibility and resilience in defense systems and more dynamic mission planning and execution, respectively.

The primary R&D activities by segment during the fiscal year ended September 30, 2024, are summarized below:

10.7.1 Submarines

In our Submarines segment, R&D activities during the fiscal year focused on advancing critical technologies aimed at enhancing submarine performance, safety and mission flexibility. Key areas included the continued development of our lithium-ion battery technology designed to extend underwater endurance, increase submerged speed profiles, reduced indiscretion rates and generally decoupling submarine performance from battery characteristics, continued development of an advanced submarine fuel cell system, with a focus on increasing efficiency, maintainability and operational availability to support next-generation submarine platforms and development of systems for emergency deballasting with heated high-pressure air. We made further advancements to our IDAS, which is designed to provide active protection for submerged submarines against airborne ASW threats and offers high-precision engagement capabilities against coastal and small surface targets. Our Submarines segment also focused on expanding our autonomous vehicle product profile through the continued development of our uncrewed Modifiable Underwater Mothership and commencement of initial sea trials for our Large Uncrewed Underwater Vehicle. Our Submarine

segment R&D activities also included Type 209 modernization efforts, in particular integrating lithium-ion batteries, new propulsion engines, main power and distribution networks and upgrades to steering stations.

10.7.2 Surface Vessels

Within our Surface Vessels segment, R&D efforts concentrated on feasibility studies, successor product designs and uncrewed platform development to address evolving customer needs and technological standards. Notably, we conducted a feasibility study for assessing potential modifications to our MEKO[®] A-400 baseline offering, including the integration of US-origin sensors and effectors for tactical ballistic missile defense. We also furthered the concept design for MEKO[®] A-210, our successor to the MEKO[®] A-200, which focuses on maintaining the core features of the MEKO[®] A-200 while simultaneously supporting the integration of uncrewed vehicles and next-generation sensors and effectors, such as fixed face radars and directed energy weapons. In addition, we focused on the continued development of our MEKO[®] S-X, an uncrewed semi-submersible platform intended to supplement our existing surface vessel portfolio. The MEKO[®] S-X is specifically intended to enhance naval surface force capabilities by significantly improving submarine detection and defense operations in ASW scenarios.

10.7.3 Atlas Electronics

In our Atlas Electronics segment, R&D activities during the fiscal year concentrated on developing innovative, dedicated solutions for underwater defense and communication to meet the demands of increasingly complex and dynamic naval threat scenarios. Efforts focused on the advancement and integration of innovative technologies that enable fundamental shifts in operational capability, with a core emphasis on solutions supporting multi-domain operations, autonomy and AI. In multi-domain operations, we prioritized research into communication and data integration technologies designed to achieve effective collaboration across different military domains with the aim of creating a unified operational picture and optimizing tactical and operational decision-making in complex environments. Our autonomy workstream focused on advancement of our autonomous vehicles through the development of solutions designed to enhance sensor technologies, navigation, situational awareness and autonomous decision-making. We focused particular attention on enhancing the efficiency and extending the reach and endurance of our autonomous vehicles during naval operations as well as reducing risk to personnel. In the field of AI, our development efforts centered on systems capable of analyzing large data sets, target identification and situational assessment to help enable timely, informed decision making by system operators and operational commanders.

We are developing the Atlas Core System (“**ACOS**”), a modular, reusable and adaptable software core that we expect will serve as the foundation for all Atlas Electronics products. ACOS aims to be a key enabler of our approach to software-defined defense and as our new technology base for the next generation of our naval systems.

Another highlight is our SONAR AI program, which forms a core element of our advanced technology portfolio to support the next generation of our underwater situational awareness solutions. This technology is designed to enable the automated generation of an underwater operational picture by leveraging AI to facilitate rapid and efficient analysis of complex maritime data. Designed for high sensitivity and robustness, SONAR AI aims to provide reliable anomaly detection and to enable the assessment of behavioral patterns among maritime assets, enhancing the speed and quality of decision-making in naval operations.

10.7.4 NXTGEN Engineering

R&D within our NXTGEN Engineering business unit was directed toward critical undersea infrastructure and environmental safety. We also pursued opportunities through Project IRAV, an initiative funded by the German Federal Ministry for Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*, “**BMWE**”) focused on improving the targeting, detection, classification, recovery and disposal of unexploded ordnance (dumped munitions) across large maritime areas. We pursued these opportunities with a focus on bolstering our own design concepts for a dedicated munitions recovery platform to be developed in collaboration with TKMS Maridan ApS and Atlas Electronics. We also advanced the development of our comprehensive framework concept for repairing and

restoring critical undersea infrastructure through combining the use of new technologies, such as fiber optics-based sensors and AI with improved logistical capabilities. Early-stage R&D also continued on initial design considerations for floating converter platforms and offshore facilities for the production of green hydrogen.

10.7.5 TCCT

For more information, see “*10.6 Data Analytics and Artificial Intelligence*”

10.8 OceanX – Innovation Think-Tank and Time-to-Market Accelerator

OceanX serves as the Group’s internal think-tank and functions as an integrative platform directly linking our centralized customer relations, strategy and future tech teams with our segment-specific R&D, product and product portfolio teams. Through OceanX, we combine cross-functional insights and capabilities to connect our business. We believe OceanX enables us to decrease time-to-market for our innovations and that it enhances our value-driven development process. OceanX supports our teams by providing targeted insights that inform function specific decision-making and by helping to ensure alignment with the Group’s central strategic goals, for example, by helping to align the strategic direction of our M&A activities with our R&D priorities.

10.9 Operations and Production

Across our operations, we benefit from modern, extensively upgraded production facilities designed to deliver on our Order Backlog, enable future growth and realize efficiency gains.

In our Submarines segment, our production processes leverage our comprehensive facilities in Kiel and, going forward, our recently acquired shipyard in Wismar, Germany to serve a global customer base, covering the entire value chain from engineering and procurement to construction and commissioning. Our current facilities include a submarine pressure hull production line, shipbuilding halls for the outfitting of hull sections and production and outfitting halls for the completion of individual sections and assembly of entire installed bases. In addition, our facilities include R&D centers for the development of our next-generation fuel cell and other submarine technologies. Importantly, we see this pressure hull production line, one of only a few in Europe, as well as our cyclization system used in the production of our battery systems as critical to ensuring quality and security in our construction.

We plan to invest over €200 million, mainly customer-funded, in our Wismar shipyard between the fiscal years ended September 30, 2026 and 2028, with the goal of creating a hybrid facility capable of producing submarines and surface vessels. We currently expect to begin the production of submarines by 2026 and surface vessels by 2027.

We also supply selected customers with “material packages” designed to provide the flexibility to meet varying local content, capability and delivery requirements across different customer projects. These packages are highly scalable and tailored to customer requirements, ranging from the delivery of specialized or specific components or systems to comprehensive end-to-end submarine superstructures that are pre-assembled in Germany (or domestically) and then delivered to the customer for final assembly and acceptance testing.

In our Surface Vessels segment, our production approach is rooted in the strategic buildup of our organic shipbuilding capacity and engagement in construction partnerships. We work alongside partner shipyards across the globe utilizing a production model that involves a mix of in-house capabilities and collaborations with our partners designed to optimize output, provide flexibility to scale operations based on demand and meet local or offset requirements. In certain cases, this decentralized structure also allows us to meet local production preferences. In addition to this longstanding heritage in building at customer and partner shipyards, we operate our own shipyard in Itajaí, Brazil and are ramping-up construction capacity in Wismar to serve dedicated local and adjacent markets.

In our Atlas Electronics segment, we seek to maintain high internal value creation for our end-products with minimal reliance on construction partnerships. We operate through a network of specialized engineering and production facilities in Germany and the United Kingdom. Our engineering capabilities in Germany are anchored at our headquarters and main site for electronic systems manufacturing located in Bremen, naval weapons production in

Wedel and manufacturing of communications systems at our Hagenuk facilities in Flintbek. Our largest international subsidiary, Atlas UK in Dorset, United Kingdom, also has its own production lines for naval electronics and software. In total, we operate five sites across these two countries focused on the development and manufacture of naval electronics and software.

We maintain a flexible approach to construction partnerships by offering a variety of models tailored to diverse customer needs and market conditions. Through these contracting options, we seek to maximize our construction capacity, reduce lead times and meet local or offset requirements, thereby strengthening our competitiveness in global tenders. The range of partnership options includes:

Licensing: Partner access to our advanced technologies and engineering expertise.

Shipyard facilitator: Includes the sale of vessel designs and use of local production and supplier networks.

General contractor: Direct TKMS vessel construction or oversight of manufacturing subcontracted to trusted partners.

The manufacturing operations in our Submarines and Surface Vessels segments are supported by small-series, tailored processes and requirements-based engineering designed to enable high efficiency and quality assurance. This approach is designed to guide our projects through a timeline that starts with the bid and initial design phase, moves through final design detailing, then construction and testing and finishes with aftersales support and decommissioning. Our approach uses a “double-V process” (a hybrid of the ISO-certified W-process (with a fully developed prototype before contract) and V-process (with early requirements and system development)) that is intended to enable higher product quality and fewer defects when operating in production environments that require high customization (i.e., small-series production). Given the nature of our Atlas Electronics business, which primarily utilizes standardized, mass-produced electronic components and subsystems, our manufacturing operations are structured around serial production methods, which are designed to support efficient, large-scale output while maintaining consistent quality standards.

10.10 Procurement

Our supplier base comprises more than 3,500 suppliers worldwide. Suppliers are chosen strategically to build a resilient and scalable supply chain, with over 95% of materials procured from near-shored suppliers (based on procurement spend allocation for the fiscal year ended September 30, 2021 through March 30, 2025 and includes all suppliers with an aggregated volume greater than €1.0 million, excluding all volumes supplied through intercompany operations of fully owned entities). We rely primarily on suppliers in Germany, which accounted for approximately 63% of our procurement spend (including all suppliers with a volume of more than €1 million aggregated for the fiscal year ended September 30, 2021 through March 30, 2025). Over the same period, European suppliers (excluding Germany) accounted for approximately 33% of our procurement spend with suppliers outside of Europe accounting for approximately 4% of our procurement spend.

In addition to our strategic focus on nearshoring, we maintain a broad and diverse supplier base to mitigate concentration risk and enhance supply chain resilience. For the fiscal years ended September 30, 2021 through June 30, 2025, our top 10 suppliers accounted for approximately 39% of procurement spend, our top 20 suppliers accounted for approximately 47% of our procurement spend, our top 50 suppliers accounted for approximately 61% of our procurement spend and our remaining suppliers accounted for approximately 39% of our procurement spend. In addition, most of our top 50 supplier relationships are governed by long-term contractual agreements and shared development plans, which we believe has helped build a resilient supply chain. Further, more than 85% of our procurement volumes were sourced via suppliers with more than 10 years of supplier history over the same period. In addition, more than 70% of “A-materials” contracts for vessels (defined as all self-constructed submarines and surface vessels plus selected material packages) were designed to ensure price stability and volume availability by featuring secured pricing at the offer stage.

Components purchased from third-party suppliers tend to vary significantly and are often tailored to the specific requirements of each project. Because projects generally have long lifecycles, the mix of components being sourced at any given point is directly influenced by the types of projects underway and their respective stage of construction. In addition, the number of components required for the construction of our platforms highlights the complexity of our procurement processes. We typically purchase certain pre-processed materials, such as forged steel or tin. We do not purchase raw materials. Our supply chain management, which is also responsible for global sourcing, is generally managed centrally. We aim to increase our procurement savings, ensure on time delivery of our products as well as optimize our project and indirect material costs, with a focus on total cost of ownership by leveraging, for example, procurement synergies across our sites, implementing automated and AI-driven purchasing processes and systems (including supplier scouting and AI-based negotiation support), consolidating our supply base across our segments and diversifying suppliers to reduce our dependency on single suppliers. In line with the introduction of the LkSG, we have implemented a global supplier management system.

10.11 Customers, Sales and Marketing

We have a global presence marked by longstanding relationships with our government customers, including both NATO and non-NATO governments. These relationships are further developed and supported by sales offices at each of our 27 global sites. Our sales unit is structured around two core pillars: strategic customer relations, which serves as the primary interface to senior customer and government stakeholders and manages regional market strategy, and operating unit sales, which translates mature sales opportunities into concrete proposals and contract negotiations. We believe this dual structure enables us to balance high-level strategic engagement with focused operational execution designed to ensure a consistently customer-centric approach across markets. Close coordination between these teams, including the transfer of opportunities and ongoing collaboration throughout the sales process, allows us to respond to emerging requirements and deliver tailored solutions that address the specific needs of each customer.

To establish and maintain local relationships with our customers, we employ staff at our subsidiaries in Australia, Brazil, Canada, Egypt, Finland, India, Israel, Peru, Singapore, South Korea, the United Arab Emirates, the United Kingdom and the United States who serve as both sales managers and local market experts. Where on-site presence is not feasible, we seek to engage intermediaries with deep sector knowledge and strong customer relationships to support the development and execution of our project strategies. Our sales and marketing approach involves maintaining regular contact with key customer stakeholders at all organizational levels to ensure that we remain aligned with evolving client needs and are well-positioned to support successful project outcomes. In addition, we regularly participate in leading naval defense exhibitions, which we believe offer invaluable opportunities to engage with a wide range of regional customers and further strengthen our industry presence.

The table below shows the split of our submarines and surface vessels currently in active service by country, as at June 30, 2025 (*source: Company information*).

Country	Submarines	Surface Vessels
Algeria	-	2
Argentina	1	8
Australia	-	7
Brazil	2	-
Canada	-	2
Chile	2	-
Colombia	4	4
Ecuador	2	-

Egypt	4	3
Germany	6	18
Greece	10	4
India	4	-
Indonesia	1	-
Israel	5	4
Italy	4	-
Malaysia	-	8
New Zealand	-	2
Nigeria	-	1
Norway	6	-
Peru	6	-
Poland	-	1
Portugal	2	8
Singapore	2	-
South Africa	3	4
South Korea	18	-
Türkiye	13	8
Venezuela	2	-
Total	97	84

As at 30 June 2025, our Atlas Electronics segment, supported by subsidiaries and associated companies in 12 countries, served more than 40 navies worldwide with a broad range of offerings, from products and subsystems for submarines and surface vessels to standalone solutions (e.g., SeaFox).

10.12 Real Property and Manufacturing Facilities

We operate on a global scale, serving our customers from 27 operating sites worldwide. Our headquarters in Kiel, Germany also serves as, our primary facility for conventional submarine construction and the headquarters for our Submarines segment. Our main production facilities for our Submarines segment are located in Kiel and, going forward, our recently acquired shipyard in Wismar, Germany.

For our Surface Vessels segment, our primary engineering hubs are located in Hamburg (which also serves as the headquarters for the segment) and Emden, Germany. Our Surface Vessels segment also operates our shipyard in Itajaí, Brazil and, going forward, our recently acquired shipyard in Wismar, Germany.

Our Atlas Electronics headquarters are located in Bremen, which also serves as the segment's main manufacturing site for its naval electronics and software solutions. Primary facilities for Atlas Electronics also include Wedel and Flintbek, Germany and Dorset, United Kingdom.

The following table gives an overview of our most significant real estate and property facilities:

Location	Site Type	Product Focus	Owned/Leased
Kiel, Germany	Shipyard / Production / Engineering	Group and Submarine HQ and main submarine production center	Owned
Wismar, Germany	Shipyard / Production	Naval surface vessel and submarine construction, currently in build out	Owned
Bremen, Germany	Production / Engineering	Atlas Electronics HQ and main Atlas Electronics production plant	Owned
Flintbek, Germany	Production / Engineering	Atlas Electronics production plant	Leased
Wedel, Germany	Production / Engineering	Atlas Electronics production plant	Owned
Hamburg, Germany	Engineering	Surface Vessels HQ; engineering hub focused on surface vessel development	Leased
Emden, Germany	Engineering	Engineering hub	Leased
Dorset, United Kingdom	Production / Engineering	Office property; largest international subsidiary of Atlas Electronics	Leased
Itajaí, Brazil	Shipyard / Production	Surface vessel construction for the Brazilian Navy	Owned
Espoo, Finland	Production / Engineering	Office property; supplies tailored combat and command management systems	Leased
Rungsted, Denmark	Production / Engineering	Production property; development and integration of autonomous underwater vehicles	Leased
Victoria, Canada	Production / Engineering	Office property; communication and sonar systems and uncrewed underwater vehicles	Leased
Yorktown, USA	Production / Engineering	Office property; submarine technology and uncrewed underwater vehicles	Leased
Sydney, Australia	Production / Engineering	Mixed property; specialized in the design, development and support of sonar processors and associated systems	Leased

We also own and lease additional warehouse, logistics and production facilities in Germany (Bremen, Elmenhorst, Kiel, Wedel, Wilhelmshaven), Denmark (Hørsholm), Egypt (Alexandria), South Korea (Busan) and the UK (Weymouth, Dorset). Furthermore, we own and lease additional office/production facilities in Australia (Sydney/Macquarie Park), Germany (Munich, Berlin, Beverstedt, Bremerhaven), India (Mumbai, New Delhi), Israel (Tel Aviv-Jaffe), Italy (Rome, Lerici), Norway (Kristiansand), Peru (Lima), Portugal (Algés), Singapore (Singapore), South Korea (Busan), Turkey (Ankara), the UK (Weymouth, Dorchester, Portland) and the United Arab Emirates (Abu Dhabi).

10.13 IT Infrastructure

Information Technology (“IT”) is an important part of our operations, in particular to support product development and manufacturing, procurement, sales, customer support and services, administration as well as internal and external communications. In addition, IT provides management with the financial and other information necessary to implement our strategy, is designed to ensure controls and compliance across the Group and provides uniform and timely reporting.

Our IT department is responsible for maintaining the basic network and IT infrastructure of the Group, including our various data centers, network components and telecommunications systems. We also rely on a network of specialized IT suppliers for the provision of certain services, including server and information storage and maintenance solutions, printing services, service desk operations and software licensing.

In recent years, we have undertaken substantial modernization efforts related to our core IT applications in order to optimize our order processing, including the development and implementation of an enterprise resource planning system and dedicated product lifecycle management and requirements management software. Regarding our IT infrastructure, our key projects include the implementation of centralized master data management and IT service management platforms; implementation of a centrally-managed standardized TKMS client designed to simplify management, enhance security, reduce costs; and implementation of a unified technology roadmap in areas such as backup, storage, virtualization, servers and networking.

As a manufacturer and supplier of platforms and products designed for national defense, we are subject to special legal and regulatory requirements, in particular those issued by the BMWE, the German Federal Office for Information Security (*BSI*), designed to ensure the security of our IT systems. We further ensure the regulatory compliance of our IT systems through regular external audits and enhancing our systems’ internal lifecycle processes. Due to the nature of our business, we also operate a large portion of our IT networks in compliance with BMWE requirements for the processing and storage of classified information, in particular the BMWE security handbook appendix 4 (*Geheimhaltungshandbuch Anlage 4*). Further, due to the sensitive nature of our business operations, we are generally required to maintain and operate our IT infrastructure separate from that of thyssenkrupp AG (this does not include certain of our international subsidiaries that currently utilize the thyssenkrupp AG tenant for Microsoft 365, however, we are actively migrating these subsidiaries to our own dedicated tenant).

We believe that we have implemented measures designed to reduce the risk of cyber-attacks and other threats to the integrity of our IT systems and the secrecy of our confidential data. We maintain a dedicated cyber-security system and organization with measures and technologies to reduce the probability of cyber-security events and to minimize their potential impact.

10.14 Intellectual Property

Our operating segments are supported by processes, designs and brands secured by a portfolio of IP rights, including patents, trademarks and copyrights. We consider many aspects of our products and services across our businesses to be proprietary, including patents families related to the development and production of product-related technologies, such as naval electronic systems, naval weapons and training solutions as well as submarines and surface vessels and their subsystems. To safeguard our research and development expenditure and protect our competitive position, we endeavor to maintain and defend existing IP rights while simultaneously generating new IP rights. In particular, our R&D projects are regularly monitored throughout the development process with respect to protectable IP rights. Employee inventions are handled according to the German Employee Inventions Act (*Gesetz über Arbeitnehmererfindungen*.) As at December 31, 2024, our Group companies owned a portfolio of more than 3,000 patents and patent applications in various countries worldwide. We own the material trademarks, logos and design rights used in our business or products, including “Atlas Elektronik”, as well as all of the Group’s product names, e.g., “MEKO®” and “SeaSpider®”. Certain of our trademarks are legally owned by thyssenkrupp AG. On May 21, 2025 the Company entered into a licensing agreement effective June 4, 2025, with thyssenkrupp AG (the “**Licensing**

Agreement”), allowing us to use the trademark “TKMS”, as part of our new brand and in carrying out our business in exchange for a one-time payment. The Licensing Agreement has an indefinite term.

10.15 Employees

As at the date of this Prospectus, we had over 8,300 employees (excluding temporary agency workers).

The table below shows our number of employees (headcount), by geography, as at the reporting dates indicated:

	As at September 30,		As at June 30,	
	2022	2023	2024	2025
Germany	5,743	6,164	6,441	6,620
Brazil	456	810	859	988
United Kingdom	551	599	579	583
Australia	51	56	51	57
United States.....	36	36	36	39
Finland.....	19	19	18	17
United Arab Emirates	17	16	12	12
India.....	11	12	12	12
South Korea.....	10	13	13	14
Rest of World	21	20	20	24
Total.....	6,915	7,745	8,041	8,366

For the fiscal year ended September 30, 2024, we also employed approximately 390 temporary employees on a non-permanent basis; as of June 30, 2025 approximately 500 temporary employees were employed on a non-permanent basis.

The increase by 77% in Brazil from September 30, 2022 to September 30, 2023 was due to the ramp-up of our local shipyard.

On January 1, 2025, we implemented a new organizational structure for our business that involved the strengthening of our three operating segments: Submarines, Surface Vessels and Atlas Electronics through the direct allocation of employees (including apprentices and students) to these segments. As of June 30, 2025, 2,457 of our employees worked in the Submarines segment, 1,389 employees worked in the Surface Vessels segment, 2,654 employees worked in our Atlas Electronics segment and 1,866 employees were employed in non-segment specific organizational units. These organizational units included procurement & supply management, deviation & claim management, sales, industrial cooperation, quality management, integrated product support, operational performance & excellence and administrative functions.

In addition, we are targeting an increase in our employee headcount of more than 25% in the medium term to meet the expected operational demands of our growth strategy. See “10.2.1 Large and Sustainably Growing Attainable Market, with Additional Uplift from European Defense Budget Expansion” and “10.2.4 Substantial Order Backlog enables product delivery at attractive margins through high focus on execution excellence”.

10.16 Sustainability

Sustainability is an important part of our strategy for maintaining our position as a “maritime powerhouse.” As a company with more than 9,100 employees (including temporary agency workers), we recognize our significant societal role and our corresponding responsibility to advance the goals of environmental, social and economic

sustainability. We believe that the effects of climate change can result in societal shifts affecting individuals and communities both directly and indirectly. As such, we aim to contribute to a sustainable future through continual refinement in both our operational processes and in the development and production of our products and technologies. Further, we intend to use our comprehensive portfolio of capabilities to expand our activities in the field of civil or military technologies and products that reduce climate or environmental impact.

We have established a dedicated Sustainability Council to oversee and embed our sustainability agenda across all operations, supported by a clearly defined ESG roadmap and timeline. As part of our ESG integration, we have set ambitious targets including: achieving 20% female representation in our workforce by 2025/26, reducing our scope 1 and 2 CO₂ emissions by 30% by 2030, compared to fiscal year 2017/2018 baselines, reducing our scope 3 CO₂ emissions by 16% by 2030, compared to fiscal year 2017/2018 baselines, ensuring that 80% of our suppliers are CO₂-neutral by 2040 and achieving net-zero status by 2045.

Our sustainability strategy focuses on four key aspects:

Resource Efficiency: We believe that the responsible and conscientious use of finite global resources is becoming increasingly essential to maintaining the efficiency of a company's operations and, we believe, is increasingly regarded as a license to operate. As such, we believe in promoting environmental and climate protection measures in our processes, products and projects, while systematically assessing the environmental impact of our production activities and products across their entire lifecycle from development through to disposal or recycling. Further demonstrating our commitment to resource efficiency, our naval products are known for their durability and built for expected operational service lives of 40 years or more. In addition, retrofits for many existing products are offered to further extend their service lives. Drawing on our extensive expertise, we seek to address the challenges associated with retrofitting in a comprehensive manner, accounting not only for propulsion systems, but also all relevant downstream systems, including tanks, vents and ventilation systems.

We believe responsible energy management is one of our most powerful tools for managing our climate impact. We have implemented a long-term energy strategy, and we are focused on continually improving our energy performance as it relates to our consumption of electrical power and heating. As such, our main production sites in Germany and the UK are equipped with ISO 50001-certified energy management systems, that includes measures to reduce the overall energy consumption like e.g. energy-efficient refurbishment of buildings, installation of alternative air ventilation or heating systems with high energy-efficiency or heat recovery in ventilation systems. 100% of the electricity purchased at our own production sites comes from renewable energy sources. When purchasing energy from third-party sources, we seek renewable energy sources wherever possible. We are dependent on energy procurement agreements with the owners of premises that we lease.

Proper waste reduction conserves resources and contributes to environmental protection. To help minimize our waste production at the source, we have sought to implement more precise working methods, optimized processes for the efficient use of pre-processed materials and conscious management of our consumables use, such as paper and packaging materials. In total, around 90% of our generated waste is recovered and recycled, including thermal recycling. Where waste generation is unavoidable, we prioritize recycling over disposal and we place great emphasis on the separation and transfer of waste to authorized disposal service providers.

We further believe that responsible industrial water management is essential for protecting the environment and the communities in which we operate. We have implemented technical and structural measures as well as operational processes specifically designed to improve the efficiency of our water consumption and prevent wastewater contamination by hazardous substances commonly used in our production processes. We evaluate the impact of wastewater discharge in line with legal requirements and we conduct regular internal and external audits to ensure compliance with relevant safety standards.

Sustainable Innovation: We are embracing sustainable innovation by leveraging our extensive technological expertise to drive growth within the maritime industry. We believe adaptation to evolving market trends is crucial,

particularly through integrated system solutions like uncrewed platforms, connectivity and AI while aiming to meet the EU's climate-neutrality goals by 2050 by, for example, prioritizing energy efficiency in naval vessel design. At our Kiel shipyard, our experts are continuously seeking sustainable manufacturing improvements via additive manufacturing, focusing on reducing logistical footprints by offering on-site maintenance solutions designed to provide quick production of complex geometries, lightweight construction and local printing possibilities that avoid storage challenges. We are also aiming to increase our use of robotics to improve efficiency, reduce resource usage and enhance employee safety and working conditions, for example by the use of robots for conducting safer and more efficient welding operations during submarine production.

Sustainable Procurement: We are dedicated to sustainable procurement by embedding responsible practices across all facets of our supply chain. We are committed to selecting pre-processed materials, goods and services that not only meet legal and technical criteria but also align with social, ecological and ethical standards. Our approach is guided by the principles of the United Nations Global Compact and Universal Declaration of Human Rights designed to foster a vigilant and transparent business environment. We strive to collaborate exclusively with suppliers who adhere to these standards and comply with national laws, contribute to human rights protection, sustainability and who seek to prevent corruption and anti-competitive behavior. By integrating sustainability criteria from the outset of supplier engagement and through our supplier code of conduct, we believe we are cultivating partnerships grounded in individual responsibility, transparency and ethical conduct.

We maintain a risk categorization system designed to gradually reduce the proportion of our suppliers that pose particular human rights risks and satisfy the requirements of LkSG. In accordance with the requirements of the LkSG, we conduct a basic risk analysis for each of our direct suppliers to identify and assess their risk potential. Our ongoing risk assessment process incorporates a range of risk criteria, including external risk indices, the supplier's geographic location and industry, the scale of our business relationship (purchasing volume), the nature of goods supplied and the severity and reversibility of potential adverse events. Assessed risk criteria are weighted and suppliers are assigned to defined risk categories based on the outcomes of this risk analysis. We prioritize suppliers by considering the established risk level, any contribution or influence we may have on the assessed risk and the specific characteristics of the business relationship with the goal of mitigating our supplier-related risks.

We support our supplier development process through the use of third-party tools and the pronet supplier management system complemented by targeted workplace conditions assessments to ensure compliance with the LkSG. In addition, we conduct independent sustainability audits at our suppliers' sites designed to analyze and improve the local working conditions of their employees and that focus on environmental protection, fair working practices, health and safety and the establishment of robust management systems. Further, we also conduct random supplier site visits designed to facilitate compliance and further our sustainable collaboration initiatives across the supply chain. We have established a non-financial "High Risk Supplier Reduction" target, aimed at reducing our relative proportion of high-risk suppliers, as identified in our initial risk assessment after implementation of the LkSG.

People and Values: Our aim to foster a safe and equitable environment extends to our employees and those across our broader value chain, all of whom we regard as our most important asset. Ensuring long-term, secure employment is central to our approach, and we believe we demonstrate this through our expansive hiring initiatives to attract apprentices, dual students and working students, and we design our workplace policies to emphasize fair working conditions, support for employees' family and caregiving responsibilities, maintain work-life balance, promote the health and safety of our workforce and create a secure working environment for all our staff members. We also seek to foster democratic participation and fair consultation processes for our workforce, which we believe strengthens our business and emphasizes our desire to be a reliable societal partner, through the implementation of work councils across all our locations in Germany and good faith adherence to collective bargaining agreements.

We embrace diversity and inclusion and implemented initiatives aimed at attracting diverse talent, such as our cooperative programs with universities across Germany designed to enhance educational opportunities and adapt degree programs to meet the future needs of the maritime industry. In addition to promoting diversity, we aim to

continuously invest in employee upskilling, which we see as crucial to enabling our future growth. We prioritize the personal and professional development of our employees, particularly in the areas of maritime and underwater technology. Our approach to knowledge and skills development encourages intrinsic motivation as well as practical skills application and collaboration. To support our employees' development, we have implemented a comprehensive learning management system that offers access to a broad selection of high-quality in-person and online learning resources.

10.17 Risk Management and Compliance

As a member of the thyssenkrupp Group, we have adopted the thyssenkrupp Group-wide governance, risk and compliance policy (the "**GRC Policy**") designed to establish a uniform approach to risk management, taking into account thyssenkrupp Group governance requirements, across all members of the thyssenkrupp Group and ensure compliance with applicable laws and regulations in the jurisdictions in which we operate. Based on the existing legal framework, and as a key component of good corporate governance and our sustainability strategy, the GRC Policy represents a holistic approach to risk management through the interlinking of our systems established for RMS, our ICS and our CMS to establish a binding regulatory framework for the Group.

The framework for our GRC Policy is anchored in our comprehensive governance, risk and compliance model (the "**GRC Model**") designed to advance effective corporate governance and support our operational activities. Our GRC Model follows the principle of subsidiarity, which is designed to promote self-determination and independent responsibility of the thyssenkrupp Group companies while core governance systems like RMS, ICS, CMS and the thyssenkrupp Group's internal audit system ("**IRS**") are centrally managed with oversight from the thyssenkrupp Group's Audit Committee. The GRC Model is administered by the Group Function Legal & Compliance ("**CO/L&C**") through binding internal regulations (e.g., policies, group regulations and operating instructions).

The organizational framework for our integrated GRC Model is based on a three lines model. The first line comprises operational-level activities focused on risk identification, prevention and reduction during daily operations, with on-site managers implementing ICS requirements. The second line sets policy and regulatory frameworks for the RMS, ICS and CMS. The third line conducts independent internal audits of business activities concerning compliance, integrity, expedience and efficiency. The thyssenkrupp Group's internal audit department ("**CO/AUD**") reports directly to the Executive and Supervisory Boards in this regard, recommending corrective actions for RMS deficiencies and monitoring their implementation. CO/AUD undergoes an external quality audit every five years, complemented by annual auditor assessments that incorporate internal audit results.

The RMS is responsible for organizing the uniform risk management process across the thyssenkrupp Group as well as the continuous further development and standardization of risk management methods, tools and corresponding reporting requirements. Key risk management strategies under the RMS include the implementation of an ICS and the Compliance Program, discussed below.

As a key risk management measure, we utilize ICS as systematic measures and controls to prevent potential losses caused by employees or third parties. Our ICS approach aims to provide reasonable assurance regarding the reliability of our financial reporting, compliance with applicable laws and regulations and the effectiveness and efficiency of business processes. Further, our ICS approach is risk-oriented, and its implementation and application take into account different factors such as the size, complexity and specific risk situation of the individual units in the businesses. Responsibility for the ICS process lies at the thyssenkrupp Group-level, while implementation and application of an ICS remains with the respective thyssenkrupp Group company under the control of their respective management team.

As part of the thyssenkrupp Group-wide Compliance Program (the "**Compliance Program**"), CO/L&C oversees Group key compliance areas, including antitrust law, anti-corruption, anti-money laundering, data compliance and trade/sanctions compliance. CO/L&C also acts as a control function for coordinating organizational and procedural

requirements across jurisdictions. The Compliance Program operates under the second line of the GRC Model and is structured around three fundamental pillars:

Inform and advise: designed to ensure adherence to minimum business standards and involves developing Group regulations, offering compliance advice and delivering training;

Identify: focuses on regular compliance audits and investigations into potential program violations and involves performing audits and investigating possible violations, mainly on a centralized basis;

Report and act: ensuring comprehensive reporting to all governance levels and recommending or implementing sanctions or remedial actions.

In cases of compliance violations involving senior executives, recommendations for appropriate sanctions are made by the thyssenkrupp Sanctions Advisory Council. CO/L&C also supports other Group functions, segments and service lines in managing compliance topics outside the Compliance Program to ensure the thyssenkrupp Group meets supervisory and organizational obligations regarding the respective CMS.

Our code of conduct serves as the foundation for all decisions, including business partner selection, which is further governed by a binding thyssenkrupp Group regulation. This selection process follows a risk-based approach. We conduct an initial review of potential partners designed to assess risks related to the potential partner's function, industry, jurisdictions and proposed business volumes. This initial assessment is followed by an in-depth compliance check tailored to the specific risks identified for the potential partner. In addition, ongoing business partnerships are subject to regular review to ensure compliance with all contractual obligations and regulatory requirements, such as requirements under to the LkSG, European Union Deforestation Regulation (EUDR), the Corporate Sustainability Due Diligence Directive (CSDDD) or with regards to the International Traffic in Arms Regulations (ITAR).

We have implemented internal processes and responsibilities required to comply with existing regulators governing import/export controls, embargoes and sanctions in the jurisdictions where we operate. These internal processes include the implementation of a sanctions management system for the screening of transaction payment files and payees based on all relevant national and international sanctions lists applicable on the relevant day. Similarly, we screen our current and potential business relationships for sanctions and embargoes.

10.18 Legal and Administrative Proceedings

From time to time, we are involved in legal proceedings arising in the ordinary course of business. These in particular relate to matters of international arbitration, in which we typically act as defendant, as well as matters relating to allegations of defects' liability in respect of our products.

We are currently involved in the following legal proceedings, which may have a material impact on our business, results of operations or financial condition:

The Republic of Korea is claiming damages in the amount of €201 million from the Group in arbitration proceedings before the ICC for delayed delivery of submarines built by Korean shipyards using material packages from the Group and supplied to the Republic of Korea. As the material packages were delivered to the shipyards on time, the Group believes that responsibility lies with the Korean shipyards, which were under a construction and delivery obligation to the Republic of Korea under their own bilateral contracts. We received a partial award for one of the five ships in question. All claims against us were denied, however, this partial award is currently being challenged through set-aside proceedings. Proceedings regarding the other four ships are ongoing. The Republic of Korea is also asserting claims against the shipyards in separate proceedings.

In connection with the majority interest previously held by thyssenkrupp Industrial Solutions AG in the Greek shipyard Hellenic Shipyards and the construction of submarines for the Greek Navy, the Greek government has filed legal and arbitration actions to claim compensation of €2.2 billion from thyssenkrupp Industrial Solutions AG and TKMS GmbH as well as from Hellenic Shipyards and the current majority shareholder of Hellenic Shipyards. The

ICC Arbitration Court assigned to the case rejected all claims against thyssenkrupp Industrial Solutions AG and TKMS GmbH by partial award in September 2023 and the final award has been received in August 2025.

10.19 Material Contracts

On March 29, 2017, thyssenkrupp AG and thyssenkrupp Technologies Beteiligungen GmbH (“**tkTB**”) entered into an agreement with the Federal Republic of Germany to safeguard Germany’s security interests in respect of Atlas Electronics (the “**Atlas Security Agreement**”). The Atlas Security Agreement regulates, in particular, certain information, consultation, and approval rights of the Federal Republic of Germany as well as further obligations of thyssenkrupp AG with regard to significant sensitive activities.

Based on a binding term sheet, concluded on July 7, 2025 between thyssenkrupp AG, TKMS GmbH and the Federal Republic of Germany, the Company’s subsidiary TKMS GmbH is further in the final stages of negotiating a security agreement, expected to be concluded in October 2025, between thyssenkrupp AG, TKMS GmbH and the Federal Republic of Germany entered into an agreement regarding significant national security interests of the Federal Republic of Germany with regards to TKMS GmbH (the “**TKMS Security Agreement**” and, together with the Atlas Security Agreement, the “**Security Agreements**”). In the TKMS Security Agreement thyssenkrupp AG and TKMS GmbH will be committed to maintaining essential research, development, and manufacturing capacities, and to keeping the headquarters of TKMS GmbH in Germany for at least ten years, with the possibility of extension based on sufficient government orders. The agreement will further provide the government with approval rights for the sale of 25% or more of sensitive Group companies, pre-emption rights for the sale of 5% or more of sensitive Group companies to third parties, and the right to nominate one of the ten supervisory board members of the Company. It is envisaged, that the Company will accede to the TKMS Security Agreement.

Other than the Securities Agreements and the agreements with related parties described in “*12 Certain Relationships and Related Party Transactions*”, the Group is not party to material agreements that have been entered into outside the ordinary course of business.

10.20 Insurance

Our insurance policies are entered into at the thyssenkrupp Group-level. Through the thyssenkrupp Group insurance program, we maintain insurance of the types and in the amounts we believe are commercially reasonable based on our business and organization, as well as the practice of other actors in our industry. In particular, we maintain directors and officers insurance, fidelity and crime insurance, general, product and environmental liability insurance, insurance for the coverage of litigation-related legal expenses, property damage and business interruption insurance, marine cargo insurance, maritime insurance and cyber insurance as well as certain other insurances we deem appropriate.

11 Regulatory Environment

11.1 Export Controls

Within the EU's internal market, the principle of free movement of goods applies. However, such principle does not apply to goods and services that are listed as military items under applicable export control laws. Our business is subject to strict export control regulations. In the EU and Germany, the foreign trade of commodities of strategic importance, which primarily comprise weapons, armaments and dual-use items, is subject to restrictive control regimes and permit requirements. In principle, the export control regulations applicable in Germany cover the export of three different types of security-relevant products: dual-use items (*Güter mit doppeltem Verwendungszweck*), military equipment (*Rüstungsgüter*), and war weapons (*Kriegswaffen*). Different licensing procedures apply to each of these types of products depending on the applicable category of goods, as specified in respective lists of goods (*Güterlisten*). Goods intended solely for civil use are, in principle, free of export control restrictions.

11.1.1 Dual-Use Export Control Regime

Dual-use items are goods, software and technology that can be used for both civilian and military applications. The EU export control regime for dual-use items is governed by Regulation (EU) 2021/821 of May 21, 2021, as amended by Delegated Regulation (EU) No. 2024/2547 of September 5, 2024 (the “**Dual-Use Regulation**”). The Dual-Use Regulation provides for common EU control rules, a common EU dual-use items list and harmonized policies for implementation. The objective of the Dual-Use Regulation is to modernize the EU system for the control of exports, brokering, technical assistance, transit, and transfer of dual-use items. The Dual-Use Regulation applies to a wide range of emerging dual-use technologies, and it introduced due diligence obligations for producers. Furthermore, the Dual-Use Regulation aims to strengthen coordination between the EU and partner countries through more convergent approaches to export controls at a global level.

Under this EU regime, the export of dual-use items is subject to control and dual-use items may not leave the EU customs territory without an export authorization. Although the Dual-Use Regulation is binding and directly applicable throughout the EU, EU member states have nevertheless taken certain measures to implement some of its provisions, *e.g.*, in relation to breaches and applicable penalties. The EU Commission and the EU member states (the “**Member States**”) have published additional information on measures imposed by Member States under Article 4 of the Dual-Use Regulation in order to ensure that exporters have access to comprehensive information on the controls throughout the EU (Official Journal of the EU, 2022/C 66/04).

Annex I of the Dual-Use Regulation establishes a uniform list of goods for all member states of the EU and specifically focuses on Marine and Ship Technology in Part X, Category 8.

In Germany, besides the Dual-Use Regulation, export control of dual-use items is governed by the Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*, “**AWG**”) and the Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*, “**AWV**”), among other provisions. Export authorizations are generally granted by the Federal Office of Economics and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*, “**BAFA**”).

11.1.2 German Control System for Military Equipment and War Weapons Exports

The AWG and AWV require the licensing of all military equipment exports. Military equipment is listed in full in Part I Section A of the so-called Export List (*Ausfuhrliste*) which is the first annex to the AWV. It is divided into 22 positions (No. 0001 to No. 0022) that have their own sub-divisions. In accordance with the principle of freedom of external economic transactions, on which the systematic approach of the AWG is based, the applicant has a right to the issuance of an export license, unless it may be denied because of a violation of interests protected under the AWG. The application of export regulations by the BAFA is subject to a broad and rather political discretion, which was redefined by the Federal Government in 2019 within the framework of the so-called Political Principles of the Federal Government for the Export of War Weapons and Other Military Equipment (*Politische Grundsätze der Bundesregierung für den Export von Kriegswaffen und sonstigen Rüstungsgütern*).

The former German government was working on a new Arms Export Control Act (*Rüstungsexportkontrollgesetz*). The main objective of the planned new act was to standardize the criteria for the German government's arms export decisions and the associated procedural issues, and thus to create a legally binding basis for a restrictive and transparent arms export policy. On October 14, 2022, the German Ministry of Economics and Climate Protection (*Bundesministerium für Wirtschaft und Klimaschutz*) presented a proposal for cornerstones (*Eckpunkte*) for the new act, according to which, among others, compliance with human rights, the rule of law (*Rechtsstaatlichkeit*) and democracy are to be given greater weight in decisions on arms exports. The intention was also to strengthen European cooperation in the field of defense. However, the legislative process for the planned Arms Export Control Act could not be completed before the snap elections to the German Federal Parliament (*Bundestag*) on February 23, 2025 and it is currently unclear whether the new administration will further pursue the legislative process for these amendments.

Some of the military equipment articles on the Export List are also weapons intended for warfare (*zur Kriegsführung bestimmte Waffen*) as defined by Art. 26 para. 2 of the German constitution (*Grundgesetz*) and by the War Weapons Control Act (*Kriegswaffenkontrollgesetz*, "**KrWaffKontrG**"). Pursuant to the KrWaffKontrG, war weapons are items, substances or organisms that are capable alone or in conjunction with each other or with other items, substances, or organisms of causing disruption or damage to persons or things and of being used as a means of violence in armed conflicts between states. They are listed in the 62 positions of the War Weapons List (*Kriegswaffenliste*) which is the annex to the KrWaffKontrG. For the export of these weapons, a license must be obtained under the KrWaffKontrG (transport authorization for the purpose of export), and additionally an export license pursuant to the AWG and AWV. Part B section III. (No. 17.-23.) and section VII (No. 40.-44.) of the Annex to the KrWaffKontrG, as well as Part I Section A (No. 0004 and No. 0009) of the Export List, specifically name warships and submarines, floating support vessels and torpedoes as being included.

In the case of the movement of goods between EU member states, the movement (*Verbringung*) from Germany may be subject to licensing under both European and national foreign trade law. Furthermore, under European law, movements which require a license are subject to a documentation requirement, while shipments which do not require a license are subject to an information requirement. A license is required, among others, if (i) the goods are listed in Annex IV of the Dual-Use Regulation, (ii) the goods are listed in Part I Section A of the Export List, or (iii) the goods are listed in Part I Section B of the Export List (which contains an additional list of national covered dual-use items) and the final destination is outside the EU. Furthermore, German law contains a catch-all-clause for non-listed dual-use items in Section 9 of the AWV. According to this provision, an export license is required for dual-use items if the exporter has been informed by the BAFA that the dual-use items are or may be intended to be used in a facility for civil nuclear purposes and if the country of destination is Algeria, Iraq, Iran, Israel, Jordan, Libya, North Korea, Pakistan, or Syria. Further, the exporter is obliged to inform the BAFA if it has knowledge that the country of destination is one of the abovementioned countries and the exported dual-use items are intended to be used in a facility for nuclear purposes (Section 9(2) of the AWV).

11.1.3 Miscellaneous

The EU Common Position on Arms Exports (Council Common Position 2008/944/CFSP) provides guidelines for arms exports and requires Member States to take into account human rights considerations and other factors. In several European and non-European countries, there are further specific laws alongside the general export control regimes that may apply within their respective jurisdictions. It is essential to consider these particular laws in individual cases, as they can significantly influence compliance requirements. These laws may address various aspects such as dual-use goods or restricted technologies and there may be sanctions related to certain nations or entities.

11.2 Public Procurement

We generate a significant part of our revenue from governments' defense and security-related projects. The funding of such contracts is subject to procurement law, which is determined by international, US, European, and national rules and legislations.

At the international level, we are bound by the public procurement provisions of the World Trade Organization Agreement on Government Procurement (*Übereinkommen über das öffentliche Beschaffungswesen*). At the European level, we are subject to Directive 2009/43/EC and Directive 2009/81/EC implementing the so-called "defense package" of the European Union, as well as Directive 2014/24/EC on public procurement. The defense package is the first procurement law regime that was created specifically for the defense and security sectors and serves the purpose of enhancing transparency and openness in defense markets between EU countries.

Germany has implemented the international and European rules and regulations into national procurement law, particularly in the form of the German Act against Restrictions of Competition (*Gesetz gegen Wettbewerbsbeschränkungen*, "GWB") and the German Defense Procurement Regulation (*Verteidigungsvergabeverordnung*). In addition, BAANBw often applies supplemental terms and conditions to its contracts. In 2022, the Law on the Acceleration of Procurements Measures for the German Armed Forces (*Beschaffungsbeschleunigungsgesetz*) was passed in Germany. This law facilitates procurement processes for military equipment and adjust provisions of the GWB.

Public procurement law generally requires public entities, sectoral contracting entities, and concession grantors to award contracts and concessions in a transparent and non-discriminatory tender procedure, depending on certain thresholds, either on the national or on the European level. Tender obligations also apply to material amendments to existing contracts. In case of violations of public procurement law requirements, the underlying contract may be null and void and, depending on the jurisdiction, penalties or other measures may be imposed. In addition, competitors may claim damages in case of such violations, in particular against the public contracting entity.

11.3 Approvals and Pricing Regulations

Our sales to governments are generally subject to procurement approval requirements by the respective country's parliament or other stakeholders. While similar provisions also apply to our operations in other jurisdictions, the following paragraphs summarize the situation in Germany which is the most important market for us.

In Germany, the BAANBw is the competent authority for the equipment of the German Armed Forces (*Bundeswehr*) with efficient and safe materiel. This includes procurement of defense materiel and awarding corresponding contracts. Procurement projects of particular importance for the German security and defense strategy, as well as all procurements with a cost volume of €25 million or higher must be submitted to the parliamentary defense committee (*Verteidigungsausschuss*) for approval. In these cases, according to parliamentary practice, even procurement projects that have been included in the federal budget will not be executed without the approval of the parliamentary defense committee and other competent bodies.

In Germany, in addition to public procurement regulations, a specific public price law is applicable for the procurement processes of public institutions. Regulation PR No. 30/53 on Pricing in Public Contracts determines the permissible prices for goods and services supplied or to be supplied under public contracts. As a general rule, market prices (*Marktpreise*) shall be given preference over cost prices (*Selbstkostenpreise*).

Cost prices will only apply if there is insufficient competition and thus no market that could form a market price. Such costs prices are based on our reasonable costs incurred or expected to be incurred, with details for the determination of cost prices being set out in the Guidelines for Pricing on the Basis of Costs (*Leitsätze für die Preisermittlung auf Grund von Selbstkosten*). However, even though cost prices only generally permit the taking into account of reasonable production costs (including administrative costs), there is room to negotiate a profit margin (calculated based on the so-called "Bonn formula" (*Bonner Formel*)).

11.4 Secrecy Obligations

As we sell some of our products to government customers, we may have access to classified documents and thus are subject to special secrecy obligations. Furthermore, our sensitive defense products require special protection of our business and products against unauthorized interference from third parties, manipulation, and sabotage.

In Germany, in order to ensure a sufficient level of protection of secrecy and of our products, some of our officers and employees are regularly subject to a security screening process governed by the German Security Screening Act (*Sicherheitsüberprüfungsgesetz*). Upon completion of the security screening process, the German Federal Ministry of Economic Affairs and Energy (*Bundesministerium für Wirtschaft und Energie*, “**BMWE**”) as the competent authority may issue a security clearance certificate (*Verschlusssachenermächtigung*) for those officers and employees. This certificate provides the legal basis for the employees’ access to certain levels of classified information and regulates specific obligations with regard to secrecy protection and sabotage prevention.

Furthermore, we have been included in the security clearance scheme for companies (*Geheimhaltungsbetreuung*) of the BMW. The security clearance scheme is a contractual relationship under public law between Germany, represented by the BMW, and us, which concerns the support and control of the Group in all security issues and the necessary security measures. Under the security clearance scheme, we are required to comply with specific secrecy protection obligations as set out in a confidentiality manual (*Geheimhaltungshandbuch*) of the BMW and as further regulated by a security order (*Sicherheitsbescheid*). Specific secrecy protection obligations include, in particular, the obligation to appoint a security officer (*Sicherheitsbeauftragter*), whom the BMW accepts and introduces to his duties. Furthermore, we are required to install and uphold a safe infrastructure to process and store classified documents. Non-compliance with our specific secrecy protection obligations could lead the BMW to suspend or revoke the security clearance order (in whole or in part).

11.5 Embargoes and Trade Sanctions

States like France, Germany, the United Kingdom, and the United States, as well as supranational organizations like the EU and the United Nations, impose sanctions or other restrictive measures against countries/territories, organizations, groups, non-state entities, and individuals who infringe upon internationally accepted behavior and norms or otherwise pose national security or foreign policy risks. This includes list-based sanctions against those who have, for example, been identified as being involved in weapons proliferation, as terrorists, as supporters of terrorist organizations, as violators of human rights, or as being involved in corruption and bribery. Such country/territory- and list-based measures are more commonly known as trade sanctions or embargoes.

Trade sanctions take the form of comprehensive embargoes (total embargoes), partial embargoes, such as arms, trade, or financial embargoes, or embargoes targeted against specific individuals, entities, groups, and organizations contained in lists (list-based sanctions). Financial embargoes usually prohibit placing assets of any kind at the disposal of sanctioned parties or providing them with financial services of any kind.

EU trade sanctions have a broad scope. They apply (i) within the territory of EU member states, (ii) to any person inside or outside the territory of the EU who is a national of an EU member state, (iii) to any legal person, entity or body which is incorporated or constituted under the law of an EU member state whether acting inside or outside the EU, and (iv) to any legal person, entity, or body in respect of any business done in whole or in part within the EU.

Council Regulation (EC) No 2580/2001 is directed against certain persons and entities for the purpose of combating terrorism. It aims to prevent and prohibit the financing of terrorist acts by prohibiting that funds, other financial assets, and economic resources are made available, directly or indirectly, to, or for the benefit of, a natural or legal person, group, or entity included in the list of restricted parties, or by prohibiting financial or other related services from being rendered for the benefit of restricted parties. Besides the embargoes against certain persons and entities, there are a number of embargoes in place against countries, such as Iraq, Libya, Belarus, or Russia. The embargoes limit the freedom of foreign trade with the embargoed countries. They also prohibit making available funds, other

financial assets, and economic resources, directly or indirectly, to, or for the benefit of, a natural or legal person, group or entity included in the list of restricted parties of that embargoed country, or by prohibiting financial or other related services from being rendered for the benefit of restricted parties of that embargoed country.

We continuously assess the impact of changes in the geopolitical situation on our business and take steps to ensure compliance with developing sanctions and related export controls. If needed, external legal advice is sought.

We are further required to comply with financial and trade sanctions against embargoed countries, sectoral sanctions (which, for example, target certain sectors of the Russian economy) and list-based sanctions against certain entities and individuals.

In addition to the national sanctions lists, we are also required to consider the European Union's Consolidated List of all Persons, Groups and Entities subject to EU financial Sanctions (the "CFSP List") and the UN Sanctions List for Counter-Terrorism (also integrated into CFSP List).

11.6 Anti-Corruption and Anti-Bribery

Under German criminal law, we must adhere to rules against corruption and bribery involving public officials (Sections 332, 334 of the German Criminal Code (*Strafgesetzbuch*, "StGB")) or employees or business representatives of the private sector (Section 299 of the StGB), as well as rules against the taking and giving of bribes meant as an incentive to violate one's official duties (Sections 331, 333 of the StGB). These provisions may, under certain conditions, also apply to circumstances that occur solely or partly on foreign territory. Certain parts of our operations are also subject to foreign anti-corruption and anti-bribery laws in addition to German regulations.

11.7 Health, Safety and Environment

We are subject to health and safety laws, rules, and regulations, which are largely based on European and national legal standards (for instance the Occupational Safety Act (*Arbeitsschutzgesetz*)). We review our work safety requirements on a regular basis with the aim of improving workplace conditions and operations in order to keep the risk of injuries to a minimum. We are aware of the impact that work has on health, safety and the environment.

Our operations are subject to various obligations and requirements relating to the protection of the environment, depending on the location of our production facilities. In Germany, applicable laws include, for instance, the Water Resources Act (*Wasserhaushaltsgesetz*), the Closed Substance Cycle Waste Management Act (*Kreislaufwirtschaftsgesetz*) and the Federal Emissions Control Act (*Bundes-Immissionsschutzgesetz*) including its related ordinances.

We are also subject to legislation regarding the identification and reduction of adverse health and safety consequences caused by chemicals or hazardous substances. For example, we undertake various measures to comply with Regulation (EC) No 1907/2006, which result in numerous requirements with respect to the use of chemicals required for our manufacturing processes.

11.8 Product Safety and Liability

Our products that, by their design, are not exclusively intended for military but also civil purposes, are subject to the Product Safety Act (*Produktsicherheitsgesetz*). In addition, general obligations concerning product safety and liability follow from the Product Liability Act (*Produkthaftungsgesetz*, "ProdHaftG"). If a defective product causes a person's death, injury to the body, damage to health, or damage to an item of property, we are obliged to compensate the injured person for the respective damage under certain circumstances. A product is defective if it does not provide for the safety which one is entitled to expect, taking into account all circumstances, in particular (i) its presentation, (ii) the use to which it could reasonably be expected that it would be put, and (iii) the time when it was put into circulation. A product is, however, not defective according to the ProdHaftG for the sole reason that a better product is subsequently put into circulation. In addition to compliance with such safety requirements, manufacturers must provide consumers with the necessary measures to avoid such threats.

Furthermore, liability claims for defective products could arise from contractual liabilities and general civil tort law. The German Civil Code (*Bürgerliches Gesetzbuch*) obliges the manufacturers of a product to observe and put in place adequate safety precautions. For products that are already on the market, the manufacturer must monitor how its products are used and must inform the users about potential harmful uses which the manufacturer originally did not anticipate.

11.9 Protection of Trade Secrets

In addition to classified information from governmental sources (see “11.4 Secrecy Obligations”), we are also obliged to protect trade secrets and implement appropriate safeguards.

In Germany, the Act on the Protection of Trade Secrets (*Geschäftsgeheimnisgesetz*, “**GeschGehG**”), which transposes Directive (EU) 2016/943 on the protection of undisclosed know-how and business information into national law, requires companies to put in place reasonable steps for the protection of their trade secrets, such as defining responsibilities for the protection of trade secrets, restricting access to confidential information, implementing password and virus protection, encrypting data, concluding confidentiality agreements, and conducting employee trainings. The establishment of such security measures is therefore crucial for us since it is only information that is subject to security measures that is protected under the *GeschGehG* against unauthorized access and trade secrets infringements by third parties. In addition, management would be exposed to liability risks if it has not undertaken reasonable steps to protect the company’s trade secrets.

11.10 Customs Laws

Our business is also subject to international and national customs laws. Regulation (EU) No 952/2013 lays down the Union Customs Code (“**UCC**”). The UCC entered into force on May 1, 2016 and defines the legal framework for customs rules and procedures in the EU customs territory, adapted to modern trade models and communication tools. In parts, the UCC leaves room for national level provisions. In Germany, such details are regulated in the German Customs Administration Act (*Zollverwaltungsgesetz*), according to which customs controls may consist of, among other things, examining goods, verifying the accuracy and completeness of the information given in a declaration or notification, and the existence, authenticity, accuracy, and validity of documents, inspecting means of transport, luggage, and other goods carried by or on persons, as well as carrying out official enquiries, and other similar acts. In addition, the national provisions are based on the regulations for financial administration, in particular in the Fiscal Code (*Abgabenordnung*).

We hold several authorizations under the UCC which were granted by the German customs authorities (e.g., status as Authorised Economic Operator and Approved Exporter). As a holder of such different authorizations, we are deemed to meet supply chain security standards and are entitled to access certain simplified customs procedures.

11.11 Supply Chain Compliance

The German Supply Chain Act (*Lieferkettensorgfaltspflichtengesetz*, “**LkSG**”) requires companies with a minimum of 1,000 employees based in Germany to: (i) conduct an appropriate risk analysis to identify human rights and environment-related risks in their supply chains; (ii) take respective preventive measures and remedial action; (iii) adopt a policy statement on human rights protection in their supply chains; (iv) implement grievance procedures to allow for the reporting of human rights violations and ensure appropriate follow-up measures; and (v) report on their compliance with the due diligence obligations. The Federal Office for Economic Affairs and Export Control (*Bundesamt für Wirtschaft und Ausfuhrkontrolle*) will enforce these obligations by means of information and discovery requests, remediation orders as well as financial penalties and exclusion from public procurement.

In addition, the Directive on Corporate Sustainability Due Diligence (“**CSDDD**”) is a European Union legislative measure that requires large companies operating in the EU to identify, prevent, mitigate, and address actual and potential adverse impacts on human rights and the environment arising from their own activities, those of their subsidiaries, and their value chains. The CSDDD was formally adopted by the European Council on May 24, 2024.

Member States, including Germany, have two years to transpose the requirements into national law, meaning implementation in Germany is required by July 26, 2027. In Germany, the CSDDD will complement and partially supersede the LkSG, likely resulting in amendments to ensure full alignment with the more extensive European rules. Once implemented, the directive will oblige affected companies to conduct due diligence, and adopt climate transition plans, and publicly report their actions, with enforcement by Member States through penalties such as fines and compliance orders, which will only be imposed in the event of particularly serious infringements.

11.12 Competition Law

We are subject to various competition and antitrust laws (for instance the GWB). Competition law in the broader sense includes all legal provisions that concern the protection of diverse and free competition. Antitrust law also aims to protect free competition. National and supranational authorities that monitor compliance with competition rules may initiate investigations and proceedings into alleged infringements. Violations of competition and antitrust laws can have various consequences, including the nullity of agreements, fines, absorption of benefits, and civil claims for damages. Authorities may impose limitations or conditions regarding acquisitions and certain business practices if we were found to have obtained a dominant position in a certain market area or to be otherwise non-compliant with competition and antitrust regulation.

11.13 German Foreign Investment Regime

German foreign trade law requires foreign investors to obtain government approval for the acquisition of shares of the Company if the acquirer directly or indirectly holds at least 10% of the voting rights of the Company following the acquisition. The BMW E may prohibit or restrict the acquisition by a foreign investor which is resident or based outside the European Union (*Unionsfremder*) if it endangers the public order or security of Germany (cross-sectoral examination, Section 55 AWV). The cross-sectoral examination applies to, for instance, the acquisition of at least 10% of the voting rights of target companies that manufacture or develop goods within the meaning of Part B of the War Weapons List, manufacture or develop specially designed engines or gears to drive battle tanks or other armored military tracked vehicles, or manufacture or develop certain enumerated goods subject to Part I Section A of the German Export List under Annex 1 of the AWV. Such acquisitions must be notified to the BMW E upon signing of a binding agreement.

In addition, the cross-sectoral examination applies to acquisitions of at least 25% of the voting rights of target companies if the relevant acquisition otherwise poses a threat to public order or security, which could, for example, be the case if the acquisition affects “fundamental interests of society”. Such acquisitions are not, however, subject to mandatory notification to the BMW E. In cases of cross-sectoral examination by the BMW E, the BMW E may initiate investigations within two months after becoming aware of the conclusion of the contract, but not later than five years after the conclusion of the respective contract (Section 55 para. 3 AWV). Accordingly, if the BMW E did not obtain knowledge of the transaction, namely because the acquirer did not notify the transaction and did not apply for a certificate of non-objection, legal certainty as to the successful completion of the acquisition could be obtained no earlier than five years after entering into the sale and purchase agreement. If an objection is found, the BMW E can prohibit the direct acquirer from making an acquisition within the meaning of Section 55 AWV within four months of the receipt of the complete application or issue instructions in order to ensure the public order or security of Germany (Section 59 para. 1 AWV).

11.14 Other Laws and Regulations

As a German company, we need to comply with applicable European and national law, such as the general data protection regulation (“**GDPR**”) and the Federal Data Protection Act (*Bundesdatenschutzgesetz*). In addition, we are subject to the German General Equal Treatment Act (*Allgemeines Gleichbehandlungsgesetz*). The Group is also within the scope of the German Whistleblower Protection Act (*Hinweisgeberschutzgesetz*), meaning, that it must implement internal reporting channels and procedures to allow employees and other individuals to report legal or ethical violations securely and without fear of retaliation.

12 Certain Relationships and Related Party Transactions

In accordance with IAS 24, transactions with persons or companies that are, inter alia, members of the same group as a company or that are in control of or controlled by a company must be disclosed unless they are already included as consolidated entities in a company's consolidated financial statements. Control exists if a shareholder owns more than one-half of the voting rights in a company or, by virtue of an agreement, has the power to control the financial and business policies of a company's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies and joint ventures, as well as transactions with persons who exercise significant influence on a company's financial and business policies, including all persons in key positions and their close family members. This includes the members of the management board and supervisory board and close members of their families, as well as those entities over which the members of the managing board and supervisory board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below are details of such transactions with related parties in the fiscal years ended September 30, 2024, 2023 and 2022 and for the current fiscal year up to and including the date of this Prospectus. Further information on related-party transactions, including quantitative amounts, are contained in the Notes to the Audited Combined Financial Statements and the Unaudited Condensed Combined Interim Financial Statements, which are included in Section "19 Financial Information". Business relationships between companies of the Group are not included.

12.1 Certain ongoing Relationships with Related Parties

12.1.1 Framework Agreement

On June 23, 2025, the Company and thyssenkrupp AG entered into an agreement, in which the future relationship, particularly the cooperation, alignment and collaboration on certain matters have been agreed upon between the parties thereto. This agreement will take effect on the day after the Spin-off takes effect through registration in both of thyssenkrupp AG's commercial registers. This does not apply to the provisions of the agreement regarding general co-operation duty and transfer of documents as well as migration of data, which already took effect upon the approval of thyssenkrupp AG's general meeting on August 8, 2025 (the "**Framework Agreement**").

While the Company will be a separately listed legal entity in the form of a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), it will still be part of the thyssenkrupp Group as thyssenkrupp AG will indirectly continue to hold the majority (51%) of the share capital of the Company and the majority (100%) of the share capital of the General Partner through tkTB, so that the relationship between thyssenkrupp AG and the Company will qualify as a de facto group (*faktischer Konzern*) within the meaning of Section 311 et seq. of the German Stock Corporation Act (*Aktiengesetz*, "**AktG**"). Therefore, among other things, thyssenkrupp AG and the Company have agreed to cooperate and align on certain matters, *inter alia*, to support each other in fulfilling their respective legal obligations. Furthermore, the Company and thyssenkrupp AG have agreed that the business relationships existing between them or their relevant group entities should in future be at standard market conditions and therefore comply with the arm's length principle. In addition, the Company and thyssenkrupp AG will ensure that such contractual relationships will in future be concluded in writing or in electronic form, as a matter of principle.

In this respect, the Framework Agreement shall allow thyssenkrupp AG, *inter alia*, (i) to prepare its consolidated financial statements, as well as other mandatory reports (ii) to ensure compliance with its organizational and compliance duties and (iii) to ensure compliance with its reporting and capital markets related obligations. The collaboration obligations extend, *inter alia*, to the provision of certain required information by the Company, the application of certain policies of the thyssenkrupp Group, as well as the alignment of (re)financing and rating matters, external communication, risk management and corporate social responsibilities. The Company is permitted to request certain information regarding the thyssenkrupp Group required for the Company to comply with applicable mandatory laws, including, but not limited to, the regulations of any national stock exchange.

The Framework Agreement further stipulates, that all damages and financial losses arising from the Admission to Trading—specifically those stemming from allegations that the Prospectus, marketing materials, or related documents are incorrect, incomplete, or misleading (known as prospectus liability)—will be shared equally (50:50) between thyssenkrupp AG and the Company and that thyssenkrupp AG and the Company will indemnify each other in this ratio.

The Framework Agreement has an initial fixed term until the expiry of the calendar year 2040. During such term, ordinary termination (*ordentliche Kündigung*) will be excluded. The Framework Agreement will be automatically renewed for further consecutive fixed terms of five years each, unless one party terminates the Framework Agreement no later than six months prior to the expiration of the respective term by giving written notice to the other parties. The right to extraordinary termination (*außerordentliche Kündigung*) will remain unaffected.

thyssenkrupp AG will automatically withdraw from the Framework Agreement, and therefore, will no longer be a party to the Framework Agreement, as soon as the Company is no longer fully consolidated in thyssenkrupp AG's consolidated financial statements. If thyssenkrupp AG continues to hold a share in the Company and therefore, under applicable law, remains subject to the requirements of financial reporting, corporate governance or risk management, for example, with respect to the Group, thyssenkrupp AG and the Company will negotiate, in good faith and within six months prior to automatic termination, a replacement agreement with a reduced scope the terms of which will be designed to enable thyssenkrupp AG to fulfil the legal requirements that continue to apply.

12.1.2 Licensing Agreement

TKMS GmbH and thyssenkrupp AG concluded an agreement for the use of the “TKMS” brand with effect from March 31, 2025, (the “**Licensing Agreement**”). The brand has been used externally since June 4, 2025. The Licensing Agreement provides, in particular, that TKMS GmbH has an exclusive right to use the “TKMS” brand, and that TKMS GmbH acquired the exclusive beneficial right of use of this brand. The license has been granted for an indefinite period. As consideration, TKMS GmbH has made a one-off payment to thyssenkrupp AG. The amount of the one-off payment was determined based on an arm's length valuation of the adjusted operational planning figures for the 2024/2025 fiscal year. Upon paying the consideration, TKMS GmbH acquired economic ownership in the “TKMS” brand, with thyssenkrupp AG continuing to be the legal owner. Since economic ownership has been transferred, the license has been formally granted to TKMS GmbH for an indefinite period. The scope of use relates to the labelling of products and services, use as (part of) the legal name, use as a domain name and the right to grant sublicenses to affiliates and third parties. thyssenkrupp AG is responsible for maintaining all registrations of licensed rights. The costs of registering, monitoring and maintaining the licensed rights will be borne by TKMS GmbH. The Licensing Agreement furthermore provides for a change-of-control clause according to which the licensor may terminate the Licensing Agreement in writing within thirty days in the event of a change of control at the licensee by a competitor or in the event of imminent material disadvantages for the licensed rights as a result of the change of control.

12.1.3 Financing

With regard to financing, thyssenkrupp AG provides TKMS GmbH with a revolving credit facility of up to €300 million at arm's length conditions to further cover its liquidity requirements. Moreover, the following service and legal relationships relating to collateral and currency risk management will exist between thyssenkrupp AG and entities of the Group:

With regard to the group liability statements and PCGs issued by thyssenkrupp AG for the purpose of performing contractual obligations of entities of the Group vis-à-vis their contractual partners, contractual relationships between thyssenkrupp AG and TKMS GmbH and other entities of the Group have been formed. The group liability statements are based on an arm's length external services agreement between thyssenkrupp AG and the entities of the Group. This external services agreement contains, in essence, provisions stipulating how to administer and deal with existing group liability statements and provisions regarding fees payable in this respect. The external services agreement is

scheduled to continue until expiry of the corresponding liability statements. The parent company guarantees are also based on arm's length external services agreements between thyssenkrupp AG and TKMS GmbH. The external services agreements contain, in essence, provisions stipulating how to administer and deal with existing parent company guarantees and provisions regarding fees payable in this respect. The agreement's term will end upon removal of the last parent company guarantee. It is intended for the parent company guarantees to initially continue to be in place, but – to the extent possible – to be replaced, along with the corresponding external services agreements, in the years to come.

TKMS GmbH and other entities of the Group will participate in the thyssenkrupp Group's hedging platform in order to enter into hedging transactions in the form of currency hedges via this platform. These services will be provided by thyssenkrupp AG under corresponding arm's length external services agreements. These external services agreements will govern, in essence, the provision of the hedging platform as well as trading and settlement of spot, forward, swap, non-deliverable forward and options transactions and compensation payable for services provided in this respect. Each agreement will have an initial term until September 30, 2026.

12.1.4 Services provided by the thyssenkrupp Group to the Group

thyssenkrupp AG and/or thyssenkrupp Group entities will provide various services to the Company and/or Group entities based on external services agreements. The services that thyssenkrupp AG and/or thyssenkrupp Group entities will provide to the Company and/or Group entities during the term of the external services agreements relate to general and administrative services such as intellectual property, information technology, insurance covering, accounting, human resources, taxes, real estate, legal & compliance, purchasing & supply chain management, M&A services or pension management. The Company and thyssenkrupp AG have agreed that the external services agreements should be at standard market conditions and therefore comply with the arm's length principle.

12.2 Past Transactions with Related Parties

The Audited Combined Financial Statements include transactions between the Group and thyssenkrupp AG and its direct and indirect subsidiaries, excluding the Group (the "tk Group"). tk Group is a related party, as thyssenkrupp AG, as the ultimate parent, controls the Group.

12.2.1 Transactions with tk Group

Supply and delivery agreements exist between the Group and tk Group. The Group is supplied by the tk Group and delivers to tk Group goods and services on a case-by-case basis.

Transactions with tk Group were as follows.

Service, supply and delivery agreements

	Sales of goods and services and other income			Purchases of goods & services and other expenses		
	Year ended Sept. 30,			Year ended Sept. 30,		
	2022	2023	2024	2022	2023	2024
	<i>(thousand €)</i>					
Other entities of tk Group	4,702	4,594	5,185	748	2,864	1,655
Joint Ventures	446	396	213	0	0	0
Associates	196	940	11	0	0	0
Total	5,344	5,930	5,410	748	2,864	1,655

12.2.1.1 Interest income and expense from cash pool

During the reporting periods, the Group was integrated into the cash pooling and cash management systems of tk Group. Cash pooling is largely centralized at thyssenkrupp AG and certain financing companies (i.e., cash pool leaders). Relevant cash pool leaders for Group entities are located in Germany (€) and UK (GBP). The Group typically has excess liquidity which is transferred into the tk Group's cash pooling and cash management system on a regular basis. The basis for the cash pooling system is the tk Group operating instruction financing and the cash management agreement. The cash management agreement was concluded for an indefinite period of time. Group companies with bank accounts connected to an automatic cash pool system are required to communicate their financial requirements or surplus funds to the cash pool leader in order to ensure effective cash management. Financial receivables and liabilities from/due to the tk Group are presented without netting in the Combined Financial Statements. Cash pool balances are interest-bearing. Both borrowings and deposits are subject to interest at a pre-defined base interest rate that is oriented on the money market (EURIBOR for Euro or equivalent risk-free rates for foreign currencies, floored at 0%). In case of borrowings, a refinancing cost levy is charged on top of the base interest rate. This refinancing cost levy is based on the funding costs of thyssenkrupp AG and is determined on a quarterly basis. Current funding costs of the Group are therefore not necessarily indicative of future costs for such services. Interest income received from cash pool receivables is provided in the Combined Financial Statements.

	Year ended Sept. 30,		
	2022	2023	2024
	<i>(thousand €)</i>		
Interest income from cash pool with tk Group.....	2,663	47,658	58,273
Interest expense from cash pool with tk Group.....	940	3,276	3,249

The applicable weighted average interest rates for the most significant currencies were as follows.

	Borrowings			Deposits		
	Year ended Sept. 30,			Year ended Sept. 30,		
	2022	2023	2024	2022	2023	2024
	<i>(in %)</i>					
EUR.....	1.0	4.1	4.6	0.2	3.5	4.5
GBP.....	3.0	5.7	6.1	2.2	5.1	6.0
USD.....	2.5	6.1	6.1	1.7	5.5	6.0

12.2.1.2 Derivative financial instruments

The Group's hedging activities are performed on an arm's length basis via thyssenkrupp AG. The consideration is based on normal market rates. The related receivables and payables are disclosed in the Combined Financial Statement.

	Year ended Sept. 30,		
	2022	2023	2024
	(thousand €)		
Net gains (losses) from hedging activities performed by thyssenkrupp AG for the Group	3,145	(1,458)	(1,207)

12.2.1.3 Derivative Financial Instruments (Hedging of foreign currency risk)

The following table shows the notional amounts and fair values of derivative financial instruments entered into by the Group with thyssenkrupp AG:

	As of Sept. 30,					
	2022		2023		2024	
	Notional amount	Carrying amount	Notional amount	Carrying amount	Notional amount	Carrying amount
	(thousand €)					
Assets						
<i>Foreign currency derivatives that do not qualify for hedge accounting</i>						
Foreign currency contracts USD.....	7,838	1,070	17,614	555	8,104	269
Foreign currency contracts GBP.....	29,135	1,754	24,813	604	11,181	198
Foreign currency contracts SGD.....	1,243	25	3,016	61	2,431	40
Foreign currency contracts Other.....	23,810	1,305	29,471	724	28,681	510
<i>Foreign currency derivatives qualifying as cash flow hedges</i>						
Foreign currency contracts USD.....	2,710	129	2,565	42	2,479	1
Foreign currency contracts Other.....	0	0	2,068	19	844	6
Total.....	64,737	4,284	79,547	2,006	53,720	1,025
Liabilities						
<i>Foreign currency derivatives that do not qualify for hedge accounting</i>						
Foreign currency contracts USD			7,416	340		
.....	10,484	1,245			17,515	445
Foreign currency contracts GBP.....	4,520	202	23,869	48	12,108	188
Foreign currency contracts SGD.....	850	3	977	16	128	1
Foreign currency contracts Other.....	12,773	597	38,819	1,444	77,308	1,577
<i>Foreign currency derivatives qualifying as cash flow hedges</i>						
Foreign currency contracts USD.....	0	0	0	0	697	13
Foreign currency contracts Other.....	11,821	502	10,223	480	9,547	699
Total.....	40,449	2,549	81,303	2,328	117,303	2,922

The volumes of hedging transactions entered into in the respective year are as follows.

	Year ended Sept. 30,		
	2022	2023	2024
	(thousand €)		
Sell Amount	152,795	157,016	244,175
Buy Amount.....	167,555	159,834	267,609

12.2.1.4 License fee

Based on a licensing agreement tk Group in the past granted the Group the non-exclusive right to use the thyssenkrupp corporate brand. For this license the Group paid a license fee to tk Group on an annual basis (“**tk Group trademark fee**”). The basis for the calculation of the tk Group trademark fee was the Group’s sales, excluding sales to tk Group. The license fee applied was variable and based on both external sales and the Group’s Adjusted EBIT Margin.

The license fees recognized in the Combined Statement of Income under the licensing agreement are as follows:

	Year ended Sept. 30,		
	2022	2023	2024
	(thousand €)		
tk Group trademark fee.....	1,018	1,760	4,325

In the context of the separation from tk Group, TKMS GmbH entered into a new licensing agreement with thyssenkrupp AG, resulting in the termination of the historical brand invoicing model. The new licensing agreement grants the Company the indefinite right to use the licensed “TKMS” trademarks (see “12.1.2 Licensing Agreement”).

12.2.1.5 Guarantees

tk Group has issued PCGs to the Group’s customers in connection with Group’s projects. PCGs issued by tk Group amounted to €10,009.3 million as of September 30, 2024 (September 30, 2023: €9,939.7 million, September 30, 2022: €10,377.0 million). In the periods under consideration tk Group has charged a fixed fee (i.e. regardless of the guaranteed amount) of €85 thousand per PCG to the Group, largely reflecting internal administration cost of such PCG incurred by tk Group. The fixed fees charged for the PCGs have been included in Group’s project costs and are presented in cost of sales with their historically recharged amounts. In connection with the Spin-off, the terms and conditions of the PCGs have been re-negotiated effective fiscal year 2025/2026. Under the re-negotiated terms tk Group continues to charge a fixed fee by PCG in an amount which increases year-over year. While existing PCG will remain in place after the spin-off, it is not intended to make use of new PCG with respect to new contracts entered into by the Group after the spin-off.

The amounts charged by tk Group do not reflect amounts which would have been charged in the hypothetical case that such guarantees were issued by external banks instead of thyssenkrupp AG. Therefore, the amounts included in the Audited Combined Financial Statements may not be indicative of future performance of the Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the Group operated as an independent stand-alone group during the periods presented.

In addition, tk Group has entered into bank guarantees with external banks with respect to performance guarantees issued to the Group’s customers. The conditions for the bank guarantees are variable, derived from tk Group’s creditworthiness and charged to the Group at an arm’s length basis.

The costs incurred for guarantees amount to €13.3 million on September 30, 2024 (€13.5 million on September 30, 2023, €15.3 million on September 30, 2022).

12.2.1.6 Legal reorganization

In the context of the legal reorganization as of September 30, 2024, TKMS GmbH acquired 75 % of shares in TKMS ATLAS ELEKTRONIK GmbH (formerly ATLAS ELEKTRONIK GmbH), 100 % of shares in TKMS Singapore Pte. Ltd. (formerly thyssenkrupp Marine Systems (Singapore) Pte. Ltd.) and other shareholdings of minor value for a total purchase price of €633.9 million, which was paid in fiscal year 2023/2024 and included in “Transactions with tk Group” presented in the “Combined Statement of Changes in Equity” and the “Combined Statement of Cash Flows” of the Audited Combined Financial Statements.

12.2.1.7 Profit or loss transfer agreements

For the periods under consideration profit or loss transfer agreements (*Gewinnabführungsverträge*) were in place with tk Group. The corresponding impact of the profit transfer or loss absorption is directly recognized in equity and is reflected as a withdrawal or contribution in the line item “Dividends & profit and loss transfer with TKMS Business’s equity holders” respectively, in the Combined Statement of Changes in Equity. The subsequent settlement of such receivables and liabilities is presented in the financing activities in the line item “Profit loss transfers received (paid)” of the “Combined Statement of Cash Flows” of the Audited Combined Financial Statements.

12.2.2 Balances due to/from tk Group

	Assets			Liabilities		
	Year ended Sept. 30,			Year ended Sept. 30,		
	2022	2023	2024	2022	2023	2024
	<i>(thousand €)</i>					
tk Group cash pool.....	1,144,781	1,429,070	1,165,590	68,349	51,410	57,376
Foreign currency derivatives with tk Group.....	4,284	2,006	1,025	2,549	2,328	2,922
tk Group other transactions.....	53,744	96,330	163,126	25,339	44,236	21,137

The outstanding balances as of each reporting date are unsecured and interest free except for the interest-bearing cash pool receivable due from tk Group. Settlement of these transactions occurs in cash. Except for the guarantees issued by tk Group to the Group’s customers, there were no other guarantees provided or received for any related party receivables or payables. The position “tk Group other transactions” comprises receivables and liabilities in connection with the profit and loss agreement between Group entities and tk Group entities.

12.2.3 Lease contracts

The Group has entered into lease contracts with tk Group for cars.

	Right of use assets			Lease liabilities		
	Year ended Sept. 30,			Year ended Sept. 30,		
	2022	2023	2024	2022	2023	2024
	<i>(thousand €)</i>					
tk Group.....	675	927	982	682	940	1,009

12.2.4 Transactions with key management personnel

To complete the formation of the Group as a stand-alone group, independent from tk Group, tk Group was undergoing a legal reorganization to establish the Group for the transaction by transferring certain companies as well as selected, immaterial activities of the Group's business historically included in other legal entities of tk Group into a group structure under the control of the Company.

The key management of Marine Systems is defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, in particular members of the Management Board and the Supervisory Board.

The members of the Management Board comprising of Oliver Burkhard (Chief Executive Officer), Paul Glaser (Chief Financial Officer), Bernd Hartmann (former Chief Human Resources Officer) and Dr. Dirk Steinbrink (Chief Operating Officer) represented key management personnel of the Group.

Furthermore, Marine Systems is controlled by the ultimate parent, thyssenkrupp AG. Therefore, thyssenkrupp AG's Management Board and Supervisory Board are deemed key management. Until January 31, 2025, Oliver Burkhard was also member of the Management Board of thyssenkrupp AG. Therefore, Oliver Burkhard was remunerated by thyssenkrupp AG only and received no separate compensation from the Group. Furthermore, no costs were charged by thyssenkrupp AG to the Group for Oliver Burkhard's services as member and chairman of the Management Board of the Group.

The compensation of the Management Board members contains several remuneration components as illustrated in the table below. The compensation presented in the table encompasses both (i) directly incurred compensation at the Group level and (ii) allocated expenses incurred at the thyssenkrupp AG level for the purpose of compensating the Management Board members, insofar as the expenses were attributed to the Group, which amounted to €500 thousand for the fiscal year 2023/2024 (fiscal year 2022/2023: €500 thousand, fiscal year 2021/2022: €0 thousand):

	Sept. 30,		
	2022	2023	2024
	<i>(thousand €)</i>		
Short-term.....	1,111	1,672	1,863
Long-term benefits.....	(18)	77	(10)
Termination benefits	712	243	—
Post-employment benefits.....	604	146	123
Total	2,409	2,137	1,976

The long-term benefits solely comprise the share-based compensation of the Management Board members.

Liabilities payable to the members of the Management Board of the Group only exist with respect to their compensation and are as follows:

	Sept. 30,		
	2022	2023	2024
	<i>(thousand €)</i>		
Short-term benefits	450	380	523
Long-term benefits.....	75	99	89
Termination benefits	200	—	—
Post-employment benefits.....	907	919	1,080
Total	1,632	1,398	1,692

Short-term benefits comprise fixed compensation, annual bonus, and additional fringe benefits such as the provision of company cars as well as further transitional benefits for a limited period, such as relocation costs or costs in connection with the need to maintain two households for work purposes.

Termination benefits comprise severance payments and paid leave for certain periods after resignation.

Post-employment benefits comprise pension benefits granted to the members of the Management Board, in accordance with the provisions included in the individual employment contracts. For historical reasons a wide variety of voluntary defined benefit pension plans exist in Germany based on different risk profiles. One active and two former board members are eligible to pension benefits in accordance with plan rules stipulated by “Essener Verband”. The plans represent defined benefit plans and are either designed as career-average plan or contribution-based plan granting benefits in case of retirement, disability or death. In case of an insured event the benefits are paid as annuities. The other board members are eligible to pension benefits in accordance with the “flexplan”, a share-based pension-plan with a minimum of 1% interest p.a. guaranteed by the employer and optional salary conversions for which employer-funded matching contributions are offered as an incentive.

Compensation attributable to members of the Supervisory Board comprised in fiscal year 2023/2024 base compensation and additional compensation for committee work and amounted to €50 thousand (fiscal year 2022/2023: €57 thousand, fiscal year 2021/2022: €85 thousand) including meeting fees.

No advances or loans have been granted to key management personnel in the reporting period nor in the previous years.

13 Shareholder Structure

13.1 Shareholder Structure (before and after the Spin-off Effective Date)

As at the date of this Prospectus, thyssenkrupp AG holds 100% of the share capital of the Existing Shareholder, which holds all Existing Shares, currently representing all the Shares in the Company. thyssenkrupp AG has approximately 250,000 shareholders. The Alfried Krupp von Bohlen und Halbach Foundation, Essen, Germany, is thyssenkrupp AG's largest shareholder, holding approximately 21% of thyssenkrupp AG's share capital. In addition, according to the voting rights notifications received by thyssenkrupp AG in accordance with sections 33, 34, 38 and 39 of the German Securities Trading Act (*Wertpapierhandelsgesetz*, "WpHG"), BlackRock, Inc. holds approximately 5% of the voting rights in thyssenkrupp AG. Apart from these shareholders, thyssenkrupp AG has not received any other WpHG voting rights notifications stating a share of voting rights exceeding 3%.

As of the Spin-off Effective Date, the Existing Shareholder will hold a total of 51.0% of the Shares, whereas the remaining 49.0% of the Shares will be held by the shareholders of thyssenkrupp AG. The number of New Shares attributable to each shareholder of thyssenkrupp AG depends on their shareholding quota (pro-rata spin-off by absorption (*verhältniswahrende Abspaltung*)), i.e., the shareholders of thyssenkrupp AG as the transferring entity will hold shares in the Company in the same proportion as the value of the spin-off assets, being the shareholding in TKMS Beteiligungsgesellschaft mbH.

TKMS Management AG as the General Partner (*Komplementär*) of the Company has no interest in the issued and outstanding share capital of the Company. Rather, as at the date of this Prospectus as well as after the Spin-off Effective Date, the Existing Shareholder holds 100% of the issued and outstanding share capital of the General Partner.

The following table shows the shareholdings, both as at the date of this Prospectus (before the Spin-off Effective Date) and immediately as of the Spin-off Effective Date, which reflects the issuance of 31,126,587 New Shares that will be transferred to the shareholders of thyssenkrupp AG. See also "3 Separation, Spin-off and Admission to Trading".

	Before Spin-off Effective Date		After Spin-off Effective Date	
	Shares	In %	Shares	In %
thyssenkrupp AG	32,397,060	100.0%	32,397,060	51.0%
Shareholders of thyssenkrupp AG	—	—	31,126,587	49.0%
Total	32,397,060	100.0%	63,523,647	100.0%

13.2 Control

As at the date of this Prospectus, thyssenkrupp AG, through the Existing Shareholder, controls the Company within the meaning of Section 29 para. 2 of the German Securities Acquisition and Takeover Act (*Wertpapier- und Übernahmegesetz*, "WpÜG") due to its indirect holding of 100% of the share capital and voting rights in the Company.

As of the Spin-off Effective Date, thyssenkrupp AG will continue to indirectly hold 51.0% of the Company's share capital and voting rights. Hence, thyssenkrupp AG will also continue to hold a controlling interest in the Company within the meaning of Section 29 para. 2 WpÜG.

In addition, as at the date of this Prospectus, thyssenkrupp AG holds 100% of the share capital of and voting rights in the Existing Shareholder which holds 100% of the share capital of and voting rights in the General Partner. thyssenkrupp AG therefore has an indirect controlling influence (*beherrschenden Einfluss*) over the General Partner (Section 17 para. 1 AktG). The General Partner is the sole general partner of the Company. thyssenkrupp AG can, via its indirect controlling influence (*beherrschenden Einfluss*) over the General Partner, indirectly control the

management of the Company. Hence, due to thyssenkrupp AG's control over TKMS Management AG, thyssenkrupp AG would retain its controlling influence over the Company even if it did not (or ceased to) hold the majority of voting rights at the general meeting of the Company as German partnership limited by shares. In addition, control over the Company ensures that full consolidation will be continued.

14 General Information on the Group

14.1 Formation, Incorporation and Articles of Association

Based on the articles of association dated July 26, 2021, the Company was formed as a shelf limited liability company (*Gesellschaft mit beschränkter Haftung*) under the laws of Germany. Its legal name was “thyssenkrupp Projekt 2 GmbH” with its registered office (*Sitz*) in Essen, Germany. The Company was registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Essen, Germany, on September 12, 2021, under HRB 32710.

In February 2025, thyssenkrupp AG sold and transferred all of its shares in the Company to the Existing Shareholder.

On June 23, 2025, the shareholders’ meeting of the Company resolved to transform the Company into a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*) operating under the name of “TKMS AG & Co. KGaA”, with TKMS Management AG assuming the role of the General Partner (*persönlich haftender Gesellschafter*). As part of the preparations for the Spin-off and the change in legal form of the Company, the shareholders’ meeting of the Company held on June 23, 2025, also resolved to increase its capital against contribution in cash from €25,000.00 by approximately €32.372 million to approximately €32.4 million in total. The registration of the capital increase in cash in the commercial register of the Company, which is a prerequisite for the capital increase in cash to become effective, took place at the beginning of July 2025. All shares of the Company are fully paid up. The change in legal form has been registered with the commercial register of the local court of Essen, Germany, on July 17, 2025 and by this means became effective. Since then, the Company has been registered under HRB 37039.

In order to create the Company’s New Shares, which will be granted to thyssenkrupp AG’s shareholders in the course of the Spin-off, the Company will consummate the Spin-off Capital Increase and thereby increase its share capital by approximately €31.1 million to approximately €63.5 million, by issuing approximately 31.1 million no-par-value limited partnership bearer shares. It is intended for each of these New Shares to represent a notional proportionate amount in the Company’s share capital of €1.00. The corresponding resolution on the Spin-off Capital Increase has been passed at the Company’s general meeting held on August 8, 2025, together with the resolution to consent to the Spin-off and Transfer Agreement. The consummation of the Spin-off Capital Increase will become effective upon its registration with the commercial register (*Handelsregister*) of the Company at the local court (*Amtsgericht*) of Essen, Germany, which at the date of this Prospectus has not yet occurred.

Moreover, registration of the Spin-off Capital Increase in the Company’s commercial register is a prerequisite for registration of the Spin-off.

14.2 Commercial Name and Registered Office and Legal Entity Identifier

The Company is a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), whose General Partner (*Komplementär*), TKMS Management AG, is a German stock corporation (*Aktiengesellschaft*), incorporated under the laws of the Federal Republic of Germany having its registered office and its headquarters in 45143 Essen, Germany (HRB 36850). The legal business name (*Firma*) of the Company is TKMS AG & Co. KGaA. It is registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Essen under HRB 37039. The Company’s LEI is 529900W81B194B0E0078.

The Company will be the Group’s parent company upon the Spin-off Effective Date. The Company and the Group operate under the commercial name “TKMS”.

14.3 Fiscal Year and Duration

The Company’s fiscal year ends on September 30 of each calendar year. The Company was established for an unlimited period of time.

14.4 Object of the Company

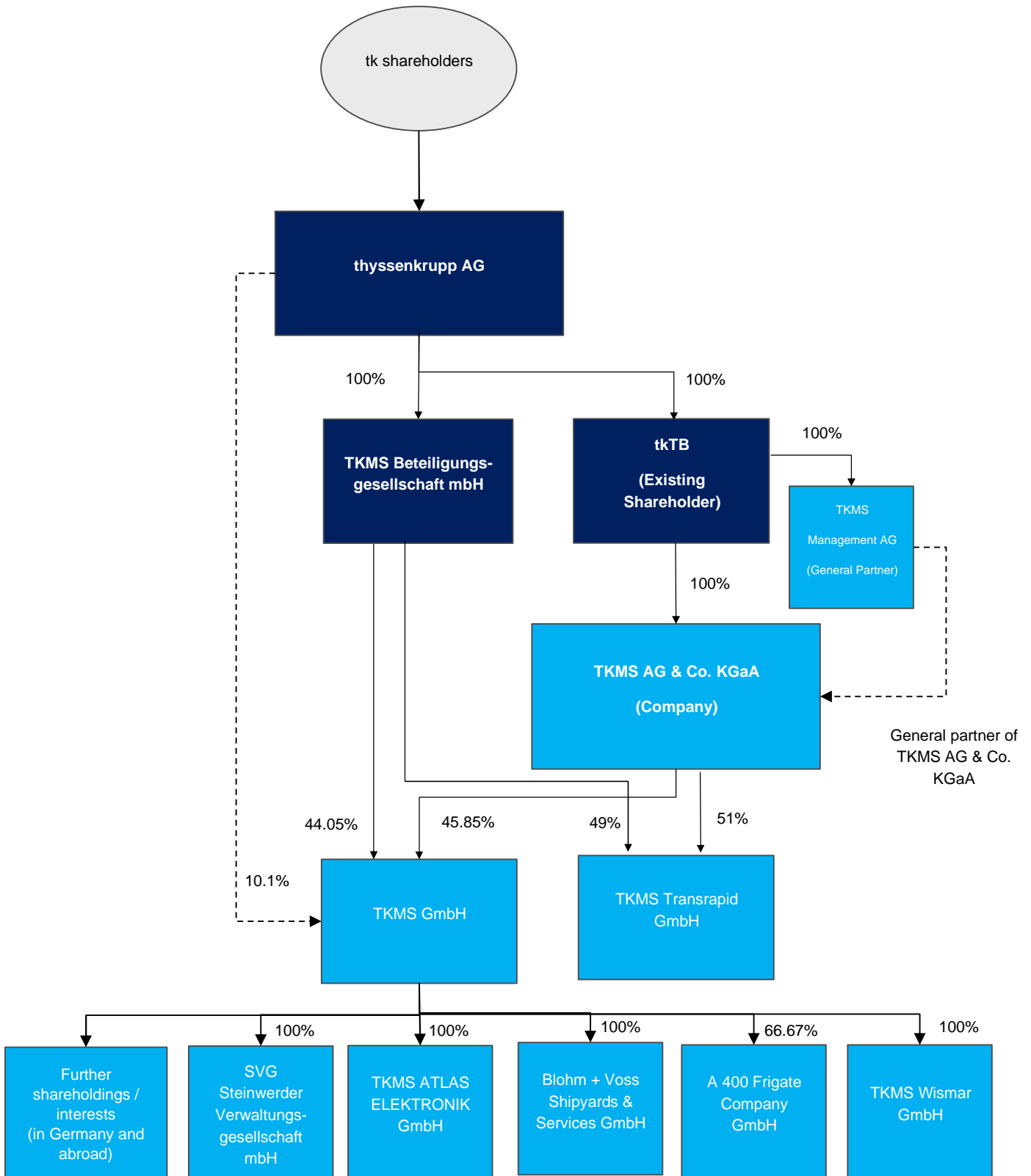
According to Section 2 (1) of the Articles of Association, the object of the Company is the management of companies and the administration of investments in companies which operate in one or several of the following business areas or sub-sectors:

- the construction and operation of shipyards;
- the design, construction, conversion and repair of ships, floating structures of any type and all parts and equipment for ships and other floating structures;
- the further processing of metals, wood, plastics and other materials, to the extent that the workshops and facilities of a shipyard are suitable for this purpose;
- the operation of machine factories and casting shops;
- apparatus, steel and container construction;
- the construction, development, production, operation, marketing and sale of electronic and other technical facilities, equipment and systems;
- the performance of logistic projects and research projects and the provision of engineering and other services in the field of electronics and in related fields of expertise;
- the development, construction, manufacture, distribution, supply of spare parts and maintenance of magnetic drive technology products, in particular high speed maglev trains; und
- the provision of development services in the hardware and software sector for third parties.

The Company is also entitled to take any measures and actions connected with the object of the Company or conducive to serving its purpose directly or indirectly. The Company may pursue its objective on its own or through group companies or affiliated companies (including joint ventures). In case of enterprises in which the Company holds a majority interest, the Company may in individual cases confine itself to the administration of the latter. It may also establish branches in Germany and abroad, establish or acquire other companies, or acquire an interest in such companies.

14.5 Group Structure

The following chart illustrates the Group structure as of the date of the Prospectus, immediately prior to the Spin-off and the Merger taking effect (for the change in the shareholder structure, please see “3.3.2 Implementation of the Spin-off”):



14.6 Significant Subsidiaries

The following table presents a non-exhaustive overview of the Group's significant subsidiaries as of the Spin-off Effective Date.

Legal name	Registered office	Direct and/or indirect Interest
A 400 Frigate Company GmbH	Hamburg, Germany	66.67%
Blohm + Voss Shipyards & Services GmbH	Hamburg, Germany	100.00%
TKMS GmbH	Kiel, Germany	100.00%
TKMS ATLAS ELEKTRONIK GmbH	Bremen, Germany	100.00%
TKMS ATLAS UK (Holding) Ltd.	Winfrith, Newburgh, United Kingdom	100.00%
TKMS Hagenuk Marinekommunikation GmbH	Flintbek, Germany	100.00%
TKMS Wismar GmbH	Wismar, Germany	100.00%
TKMS Estaleiro Brasil Sul Ltda.	Itajai, Santa Catarina, Brazil	100.00%
Águas Azuis Construção Naval SPE Ltda.	Itajai, Santa Catarina, Brazil	75.00%
TKMS Transrapid GmbH	München, Germany	100.00%
SVG Steinwerder Verwaltungsgesellschaft mbH	Hamburg, Germany	100.00%

14.7 Auditor

The Company appointed KPMG as the auditor of (i) the combined financial statements of the Group prepared in accordance with IFRS as of and for the fiscal years ended September 30, 2024, 2023 and 2022, on which KPMG has issued an independent auditor's report, and as statutory auditor of (ii) the unconsolidated financial statements of the Company prepared in accordance with HGB as of and for the fiscal year ended September 30, 2024 on which KPMG has issued an unqualified auditor's report (*uneingeschränkter Bestätigungsvermerk*).

The Company appointed KPMG as auditor for the audit of the fiscal years ending September 30, 2025.

KPMG is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*), Rauchstraße 26, 10787 Berlin, Germany.

14.8 Announcements and Paying Agent

Pursuant to Section 3 (1) of the Articles of Association, the Company's announcements are published in the German Federal Gazette (*Bundesanzeiger*). Should a different form of publication be mandatory by law, such form of publication will replace the publication in the German Federal Gazette (*Bundesanzeiger*). Information may be communicated to the shareholders of the Company via electronic media.

In accordance with the Prospectus Regulation, announcements in connection with the approval of this Prospectus or any supplements thereto will be published in the form of publication provided for in this Prospectus, in particular through publication on the Company's website (<https://ir.tkmsgroup.com/>).

The paying agent is COMMERZBANK Aktiengesellschaft. The mailing address of the paying agent is COMMERZBANK Aktiengesellschaft, GS-OPS, TPS Securities Services, Helfmann-Park-5, 65760 Eschborn, Germany, LEI 851WYGNLUQLFZBSYGB56.

15 Description of Share Capital

15.1 Current Share Capital and Shares

As of the date of this Prospectus, the share capital of the Company amounts to €32,397,060.00 and is divided into 32,397,060 bearer shares with no par value (*auf den Inhaber lautende Stückaktien ohne Nennbetrag*) of €1.00 per share. All Existing Shares are currently held by tkTB. The Company's Existing Shares were created pursuant to the laws of Germany.

Each share carries one vote at the Company's general meeting. The Company's Articles of Association do not stipulate any restrictions on voting rights and the Existing Shares carry full dividend entitlement. The right of the shareholders to securitization of their shares is excluded.

If, in the event of a capital increase, the resolution on such increase does not stipulate whether the new shares are bearer shares or registered shares, they shall be bearer shares.

15.2 Development of the Share Capital

The Company's share capital has developed as follows:

The Company was established on September 12, 2021 with an original share capital of €25,000.00 divided into 25,000 shares in the legal form of a German limited liability company (*Gesellschaft mit beschränkter Haftung*).

On June 23, 2025, the shareholders' meeting of the Company (named thyssenkrupp Projekt 2 GmbH at that time) resolved to increase the share capital by €32,372,060.00 to €32,397,060.00 divided into 32,397,060 Shares by way of a capital increase against contribution in cash (*Barkapitalerhöhung*) and to change the legal form of the Company into a German partnership limited by shares (*Kommanditgesellschaft auf Aktien*). The increase of the share capital was registered with the commercial register (*Handelsregister*) of the Company at the local court (*Amtsgericht*) of Essen on July 17, 2025.

On August 8, 2025, the general meeting of the Company resolved to increase the share capital by €31,126,587.00 to €63,523,647.00 divided into 63,523,647 Shares by way of a capital increase against contribution in kind (*Sachkapitalerhöhung*) in order to implement the Spin-off. Such capital increase is expected to be registered on or about October 16, 2025.

15.3 Authorization to Purchase and Use Treasury Shares

At the date of this Prospectus, the Company does not hold any treasury shares, nor does a third party hold any shares of the Company on behalf of, or for the account of, the Company.

The Company's general meeting held on August 8, 2025 authorized the General Partner pursuant to Section 71 para. 1 no. 8 AktG to acquire, on or before August 7, 2030, treasury shares of up to a total maximum of 10% of the share capital existing at the time of the adoption of the resolution or – in the event that this amount is the lower one – when the authorization is exercised. The shares acquired pursuant to this authorization, together with other treasury shares which the Company acquired and which are still in the possession of the Company or are attributable to it pursuant to Sections 71d and 71e AktG, may at no time exceed 10% of the Company's share capital.

The acquisition may be conducted (i) through a stock exchange, (ii) by means of a public offer, (iii) by means of a public solicitation to submit offers, (iv) by means of a public offer or a public solicitation to submit an offer for the exchange of liquid shares which are admitted to trading on an organized market within the meaning of WpÜG (hereinafter "**Exchange Shares**"), against shares of the Company, (hereinafter "**Exchange Offer**") or (v) by means of granting tender rights to shareholders:

- If the acquisition is conducted through a stock exchange, the consideration paid by the Company for each share of the Company (not including incidental acquisition costs) may not exceed the price of one

share of the Company in Xetra trading (or a comparable successor system), determined in the opening auction on the relevant trading day, by more than 10% and may not fall below such price by more than 10%.

- If the acquisition is conducted through a public offer, the offered acquisition price, or the values limiting the acquisition price range, per share (not including incidental acquisition costs) may not exceed the average of the closing prices in Xetra trading (or a comparable successor system) on the last three trading days preceding the day on which the resolution of the General Partner on the publication of the offer was passed by more than 10% and may not fall below this average by more than 10%. The offer may be adjusted if, after its publication, significant deviations between the aforementioned reference price and the offered acquisition price, or the values limiting the acquisition price range, occur. In that case, the average of the last three trading days preceding the resolution of the General Partner on the publication of the respective adjustment shall be decisive, and the aforementioned 10% limit shall be applied to this amount. The volume of the public offer may be limited. If, in the event of a public offer, the volume of the offered shares exceeds the applicable repurchase volume, the repurchase may be carried out, by partially excluding the respective tender rights, in proportion to the number of offered shares (quota based on offered shares) instead of in proportion to the size of the offering shareholders' stake in the Company (quota based on participation). Furthermore, in that case, by partially excluding the respective tender rights, a preferred acceptance of small offers of up to a maximum of 150 shares per shareholder, as well as a commercial rounding in order to avoid fractional numbers of shares, may be provided for.
- If the acquisition is conducted through a public solicitation to submit offers, the Company determines a price range within which sale offers may be submitted. The price range may be adjusted if, during the offer period, significant price deviations from the price at the publication of the public solicitation to submit offers occur. The price per share payable by the Company (not including incidental acquisition costs), as determined by the Company on the basis of the submitted sale offers, may not exceed the average of the closing prices in Xetra trading (or a comparable successor system) on the last three trading days preceding the relevant day (as defined in the next sentence) by more than 10% and may not fall below this average by more than 10%. The relevant day is the day on which the General Partner of the Company finally and formally decides on the publication of the solicitation to submit offers, or on the adjustment of such public solicitation to submit offers. The volume of the acceptance of sale offers may be limited. If, due to such volume limitation, not each of several similar offers can be accepted, the repurchase may be carried out, by partially excluding the respective tender rights, in proportion to the size of the offers submitted instead of in proportion to the size of the submitting shareholders' shareholding in the Company. Furthermore, in that case, by partially excluding the respective tender rights, a preferred acceptance of small offers of up to a maximum of 150 shares per shareholder, as well as a commercial rounding in order to avoid fractional numbers of shares, may be provided for.

The General Partner is authorized to sell treasury shares acquired on the basis of this authorization on the stock exchange or by way of a purchase offer to all shareholders. With regard to treasury shares that have been acquired under this authorization, the General Partner is authorized to use these shares for all purposes permitted by statutory law, including, in particular, for the following purposes:

- The shares may be used to satisfy conversion and/or option rights/obligations under convertible bonds and/or warrant bonds or combinations of these instruments issued by the Company or a company in which the Company directly or indirectly holds a majority interest.
- In the event of a sale of treasury shares by means of an offer directed to all shareholders, the General Partner may grant holders or creditors of bonds, which were or will be issued by the Company or companies in which it holds a direct or indirect majority interest, subscription rights to new shares to the

extent to which they would be entitled after exercising their conversion or option rights or after fulfilling their option exercise or conversion obligations.

- The shares may be sold against contribution in kind, particularly as partial or full consideration in connection with the (indirect) acquisition of enterprises, parts of enterprises and participation in enterprises, as well as the acquisition of other assets or claims (including claims against the Company or companies in which it holds a direct or indirect majority interest).
- Subject to the approval of the Supervisory Board, the shares may be sold in other ways than through a stock exchange or by means of an offer directed to all shareholders if the shares are sold against cash consideration at a price that is not significantly lower than the stock exchange price of the Company's shares. A further requirement of this authorization is that the shares that are used in this way must not constitute more than 10% of the share capital existing at the time of the adoption of the resolution or, if lower, at the time this authorization is utilized. To the extent that during the term of this authorization until its utilization other authorizations to issue or sell shares or to issue rights enabling or obliging the subscription of shares are exercised and the subscription right is excluded (i) pursuant to or in analogous application of Section 186 para. 3 sentence 4 AktG or (ii) to fulfil the obligations under convertible or warrant bonds, this shall be counted towards the aforementioned 10% limit.
- The shares may be transferred to employees and/or retirees of the Company and employees and/or retirees of companies in which the Company holds a direct or indirect majority interest. They may also be used for issuance to select employees in executive and/or key positions of the Company as well as to members of the Management Board and to management and selected employees in management and/or key positions of companies in which the Company holds a direct or indirect majority interest.
- The shares may be used for the implementation of a scrip dividend, in particular by offering the shareholders the opportunity to contribute their dividend, either in whole or in part, to the Company in return for the granting of treasury shares.
- The shares may be cancelled, without such cancellation or its implementation requiring a separate resolution of the general meeting. The shares may be cancelled by way of a capital decrease or without a capital decrease by way of adjusting the pro rata share capital amount represented by each remaining no-par value share. In this case the General Partner is authorized to adjust the number of no-par value shares and the amount of the share capital in the Articles of Association.

The aforementioned authorizations regarding the use of acquired treasury shares also apply to the use of Company shares acquired on the basis of Section 71d sentence 5 AktG.

Shareholders' subscription rights in respect of these treasury shares are excluded to the extent that these shares are used in accordance with the above authorizations regarding the use of acquired treasury shares (except for the latter authorization to cancel acquired treasury shares). In addition, the General Partner may exclude shareholders' subscription rights for fractional amounts in the case of a sale of treasury shares by means of an offer to all shareholders. The total number of shares that are used subject to an exclusion of the shareholders' subscription rights must not constitute more than 10% of the share capital existing at the time of the adoption of the resolution or, if lower, at the time this authorization is utilized. To the extent that during the term of this authorization until its utilization other authorizations to issue or sell shares or to issue rights enabling or obliging the subscription of shares are exercised and the subscription right is excluded, this shall be counted towards the aforementioned 10% limit.

The General Partner may make use of all aforementioned authorizations only with the consent of the Supervisory Board of the Company.

15.4 Authorized Capital

On August 8, 2025, the general meeting of the Company resolved to establish an authorized capital pursuant to Section 5 (3) of the thereby amended Articles of Association in conjunction with Sections 278 para. 3, 202 AktG accordingly. The relevant change to the Articles of Association is expected to be registered with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Essen, Germany on or about October 16, 2025.

Thereunder, the General Partner is authorized, with the approval of the Supervisory Board, to increase the share capital by up to €17,500,000.00 by issuing new no-par value bearer shares in return for cash and/or contributions in kind on one or more occasions until August 7, 2030 (“**Authorized Capital 2025**”). The number of shares must be increased in the same proportion as the share capital. The dividend rights of new shares may be determined in deviation from Section 60 para. 2 AktG.

The shareholders are generally entitled to subscription rights. The new shares may also be taken up by a credit institution, a securities institution or by a company operating in accordance with Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 of the German Banking Act (*Kreditwesengesetz*, “**KWG**”) (financial institution) or a syndicate of such credit, securities or financial institutions to be determined by the General Partner with the obligation to offer them for subscription to the shareholders of the Company.

The General Partner is authorized, with the approval of the Supervisory Board, to exclude shareholders’ subscription rights in the following cases:

- to compensate for any fractional amounts resulting from the subscription ratio;
- in the case of capital increases in return for contributions in kind, in particular in connection with business combinations or for the (also indirect) acquisition of companies, businesses, parts of companies, equity interests or other assets, including claims to the acquisition of assets and receivables from the Company or its group companies;
- to the extent necessary to grant the holders or the creditors of option or conversion rights issued by the Company or its group companies or the debtors of corresponding option exercise or conversion obligations arising from bonds issued by the Company or its group companies subscription rights to new shares to the extent to which they would be entitled to it as shareholders after exercising the option or conversion rights or after fulfilment of an option exercise or conversion obligation;
- in the case of capital increases in return for contributions in cash, if the issue price of the new shares is not significantly lower than the stock market price of the shares already listed at the time the issue price is finally fixed, which should be as close as possible to the time of placement of the shares, and the proportion of the share capital attributable to the shares issued with exclusion of subscription rights pursuant to Section 186 para. 3 sentence 4 AktG does not exceed a total of 10% of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised. If the authorization is exercised, the General Partner will set the discount as low as is possible in its judgement, based on the market conditions prevailing at the time of placement. The deviation from the stock exchange price at the time the Authorized Capital 2025 is utilised will under no circumstances exceed 5% of the then applicable stock exchange price. To the extent that during the term of this authorization until its exercise other authorizations to issue or sell shares of the Company or to issue rights enabling or obliging the subscription of shares of the Company are used and subscription rights are excluded in accordance with or pursuant to Section 186 para. 3 sentence 4 AktG, this shall be counted towards the aforementioned 10% limit.

The total of the shares issued on the basis of the above-mentioned authorizations to exclude subscription rights in the case of capital increases against contributions in cash and/or in kind, may not exceed 10% of the share capital neither at the time the respective authorization takes effect nor at the time it is exercised. To the extent that during

the term of these authorizations, until they are exercised, other authorizations to issue or sell shares of the Company or to issue rights enabling or obliging the subscription of shares of the Company are exercised and subscription rights are excluded, this shall be counted towards the aforementioned limit.

The General Partner is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases based on the Authorized Capital 2025. The Supervisory Board is authorized to amend the wording of Section 5 (1) and (3) of the Articles of Association in accordance with the respective exercise of the Authorized Capital 2025 and, if the Authorized Capital 2025 is not or not fully exercised by August 7, 2030, after expiry of the authorization.

15.5 Conditional Capital

On August 8, 2025, the general meeting of the Company resolved to establish a conditional capital pursuant to Section 5 (4) of the thereby amended Articles of Association in conjunction with Sections 278 para. 3, 192 AktG. Thereunder, the share capital of the Company is conditionally increased by up to €7,500,000.00 by issuing up to 7,500,000 new no-par value bearer shares (the “**Conditional Capital 2025**”). The conditional capital increase shall only be implemented to the extent that the holders or creditors of option or conversion rights or those with an obligation to convert or exercise options arising from convertible bonds and/or warrant or a combination of both instruments which are issued or guaranteed by the Company or a group company on or before August 7, 2030 based on the authorization of the General Partner by resolution of the general meeting passed on August 8, 2025 actually use their option or conversion rights or fulfil their obligation to exercise options or convert or to the extent that the Company exercises an option right to grant shares in the Company in whole or in part instead of payment of the cash amount due provided no cash compensation is granted or no treasury shares or shares of another listed company are used for servicing in each case. New shares are issued at the option or conversion price to be determined in each case in accordance with the aforesaid authorization resolution. The new shares participate in profits as of the start of the fiscal year in which they are issued. To the extent legally permissible, the General Partner, with the approval of the Supervisory Board, may determine the profit participation of new shares in the event of a capital increase in derogation from Section 60 para. 2 AktG.

The General Partner is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of capital increases based on the Conditional Capital 2025. The Supervisory Board is authorized to amend the wording of Section 5 (1) and (4) of the Articles of Association to reflect the utilization of the Conditional Capital 2025 and following expiration of all option or conversion periods, and to make all other associated amendments to the Articles of Association which relate only to the wording.

15.6 Authorization to Issue Convertible Bonds and/or Warrant Bonds

On August 8, 2025, the general meeting of the Company authorized the General Partner, subject to the consent of the Supervisory Board, to issue, on one or more occasions until August 7, 2030, bearer or registered convertible and/or warrant bonds or combinations of these instruments for an aggregate nominal amount of up to €500,000,000.00, in each case with or without a definite maturity date, and to grant the holders or creditors of bonds option or conversion rights for up to 7,500,000 no-par value bearer shares (*Stückkommanditaktien*) of the Company with a pro rata amount of the share capital of up to a total of €7,500,000.00, as set forth in detail in the issuing terms and conditions for the bonds (“**Issuing Terms**”). This authorization can be utilized in whole or in part.

The bonds may also provide for an obligation to convert the bonds, and/or exercise the options, at the end of the term or at an earlier time. The Issuing Terms may also give the Company the right to grant the holders or creditors of the bonds shares of the Company in lieu of cash payments due, in whole or in part, or to choose other forms of fulfilment. The bonds may be issued in return for cash or for contributions in kind.

The bonds can be denominated in Euros or – capped at their equivalent value in Euro of the total authorized amount – in the legal currency of an OECD country. Where the bonds are issued in a currency other than Euros, the relevant

equivalent value in Euros is to be applied, calculated on the basis of the Euro reference rate of the European Central Bank applicable on the date of the resolution of the General Partner on the issuance of the bonds.

The bonds can also be issued by entities in which the Company holds a direct or indirect majority interest. For such a case, the General Partner is authorized, subject to the consent of the Supervisory Board, to take on the necessary guarantees for the obligations under the bonds and to grant the holders or creditors of the bonds conversion or option rights for shares in the Company or to impose respective conversion or option exercise obligations on them, and to make any other declarations and take any other actions necessary to issue the bonds successfully.

If convertible bonds are issued, their holders or creditors receive the right, or take on the obligation, to convert the bonds into shares of the Company, pursuant to the Issuing Terms to be laid down by the General Partner. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of conversion must not exceed the nominal amount of the bond or the issue price of the bond if the issue price is less than the nominal amount. The conversion ratio is determined by dividing the nominal amount of a bond by the conversion price for a share of the Company. Where the issue price for the bonds is less than their nominal amount, the conversion ratio is established by dividing the issue price of a convertible bond by the conversion price for a share of the Company. The Issuing Terms may also provide that the conversion ratio be variable and that the conversion price be determined based on future stock market prices within a certain range. If warrant bonds are issued, one or more warrants will be attached to each bond, which entitle or obligate the holder or creditor to subscribe for shares in the Company under the Issuing Terms to be specified by the General Partner. The pro rata amount of the share capital mathematically attributable to the shares to be issued in the event of an option being exercised must not exceed the nominal amount of the bonds.

The conversion or option price to be stipulated in the Issuing Terms must be equivalent to at least 80% of the volume-weighted average of the stock market price of the Company's shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days preceding the day of the final determination of the Issuing Terms of the bonds. Sections 9 para. 1 and 199 AktG remain unaffected.

Subject to the consent of the Supervisory Board, the General Partner is authorized to specify the Issuing Terms in more detail, in particular on the following: interest rate, issue price, term and denomination of the bonds; conversion or option period; conversion or option price; conversion rights and obligations; option rights and obligations to exercise options; whether the Company's shares to be delivered shall be, in whole or in part, in the form of shares to be newly created by a capital increase or in the form of existing shares; whether, instead of delivering shares of the Company, their value can be paid in cash; and whether the conversion or option price or the conversion ratio is to be determined when issuing the bonds or is to be based on future stock market prices within a certain range during the term of the bond. In the event of a situation where there are rights to subscribe for fractions in the Company's shares, it can be stipulated that these fractions may be added together for the purpose of subscribing complete shares, in accordance with the Issuing Terms. An additional cash payment or cash compensation for fractions can also be stipulated.

The Issuing Terms can further provide for protection against dilution and adjustment mechanisms under certain circumstances, including changes in the Company's share capital during the term of the bond (such as a capital increase, a capital decrease or a share split), dividend payments, the issuance of additional convertible and/or warrant bonds, that provide an entitlement to subscribe for shares of the Company, transformation measures and extraordinary events occurring during the term of the bond, such as a change of control at the Company. The measures for protection against dilution and adjustment mechanisms that can be provided for under the Issuing Terms can, in particular, take the form of changing the conversion or option price, granting subscription rights to shares of the Company or to convertible or warrant bonds, or granting or adjusting cash components.

When issuing convertible bonds, shareholders generally must be granted a subscription right to such convertible bonds. The bonds may also be taken up by a credit institution, a securities institution or a financial institution as

defined in Section 53 para. 1 sentence 1 or Section 53b para. 1 sentence 1 or para. 7 KWG, subject to an undertaking to offer the bonds to shareholders for subscription. If the bonds are issued by an entity in which the Company holds a direct or indirect majority interest, the Company must ensure that the shareholders of the Company are granted the subscription rights.

However, the General Partner is authorized, subject to the consent of the Supervisory Board, to exclude the subscription right of shareholders when issuing bonds in the following cases:

- to make use of any fractional amounts;
- where the bonds are issued in return for contributions in kind in particular with the aim of acquiring enterprises, parts of enterprises or participations in enterprises;
- where this is necessary for protection against dilution, in order to grant holders or creditors of bonds with conversion or option rights or conversion or option exercise obligations that were or will be issued by the Company or by other entities in which the Company holds a direct or indirect majority interest, a right to subscribe for new bonds to the extent to which they would be entitled to such subscription right as shareholders after exercising their conversion or option rights or, as the case may be, after fulfilment of their conversion or option obligations; or
- for bonds issued against cash, if the shares to be issued under the conversion/option rights in total do not exceed 10% of the share capital, based on the share capital amount existing at the time when this authorization takes effect, as well as on the share capital amount when the authorization is exercised. To the extent that, during the term of this authorization until its utilization, other authorizations to issue or sell shares or to issue rights enabling or obliging the subscription of shares are exercised and the subscription right is excluded pursuant to or in accordance with Section 186 para. 3 sentence 4 AktG, this shall be counted towards the aforementioned 10% limit. The exclusion of subscription rights under these conditions is only permissible if the issue price for the bonds is not significantly lower than the theoretical value of the bonds as calculated using recognized financial mathematical methods.

The General Partner may exercise the aforementioned authorizations to exclude the shareholders' subscription rights when issuing the bonds only to the extent that the sum of the shares to be issued under the conversion/option rights does not exceed a total of 10% of the share capital, based on the share capital amount existing at the time when this authorization takes effect, as well as on the share capital amount when the authorization is exercised. To the extent that, during the term of these authorizations until their utilization, other authorizations to issue or sell shares or to issue rights that enable or oblige the subscription of shares are exercised and the subscription right is excluded, this shall be counted towards the aforementioned 10% limit.

15.7 General Provisions Governing a Liquidation of the Company

Apart from liquidation as a result of insolvency proceedings, the Company may only be liquidated by a resolution of the general meeting to dissolve the Company by way of a liquidation procedure. The resolution of the general meeting requires a majority of the votes cast and a majority of at least 75% of the share capital represented at the general meeting when the resolution is passed. The dissolution of the Company requires the consent of the General Partner.

The dissolution is carried out by the General Partner, or one or more persons that are appointed as liquidators of the Company by a resolution of the general meeting. In the event of the Company's liquidation, pursuant to the AktG, any assets remaining following settlement of the Company's liabilities are required to be distributed among the Company's shareholders in proportion to their shareholdings. The AktG provides certain protections for creditors to be observed in the event of a liquidation of the Company.

15.8 General Provisions Governing a Change in the Share Capital

The AktG provides that the share capital of a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) may be increased by a resolution adopted at the general meeting. Such resolution must be adopted in general by a simple majority of the votes cast (*einfache Stimmenmehrheit*), as well as a majority of at least 75% of the share capital represented (*Kapitalmehrheit*) when the resolution is passed, unless the Articles of Association provide for a different majority. Section 20 (1) of the Articles of Association provides that resolutions of the general meeting require a majority of the votes cast (*Stimmenmehrheit*) and a majority of the share capital represented at the passing of such resolution as determined by statutory law unless otherwise provided for in the Articles of Association.

In addition, the general meeting may resolve to issue authorized capital (*genehmigtes Kapital*) by a simple majority of the votes cast and a majority of at least 75% of the share capital represented when the resolution is passed. The authorized capital authorizes the General Partner, subject to the approval of the Supervisory Board, to issue shares of up to a specific amount within a period not exceeding five years. The nominal amount of such issuance may not exceed 50% of the share capital in existence at the time the resolution of the general meeting is registered with the commercial register (*Handelsregister*). The existing Authorized Capital 2025 is described above under “15.4 Authorized Capital”.

Additionally, shareholders may resolve to create conditional capital (*bedingtes Kapital*) for the purpose of issuing shares (i) to holders of convertible bonds or other securities convertible into shares of the Company, (ii) as consideration in connection with a merger with another company, or (iii) offered to executives and employees of the Company or an affiliated company. A resolution to create conditional capital must be adopted by a simple majority of the votes cast and at least 75% of the share capital represented when the resolution is passed. The nominal amount of the conditional capital created for the purpose of share issues to executives and employees may not exceed 20% of the nominal share capital in existence at the time such resolution is passed, while the nominal amount of the conditional capital created for the purpose of share issues to holders of convertible bonds or other securities convertible into shares of the Company or as consideration in connection with a merger with another company may not exceed 50% of the nominal share capital in existence at the time such resolution is passed; however, there is generally no limitation with respect to a time period during which the conditional capital may be used. The creation of conditional capital (*bedingtes Kapital*) beyond this threshold is permitted only for the purpose of enabling the Company to make an exchange in the event of its impending insolvency or for the purpose of averting over-indebtedness. The existing conditional capital of the Company is described under “15.5 Conditional Capital” and the existing authorization of the General Partner to issue convertible bonds or other securities convertible into shares of the Company under “15.6 Authorization to Issue Convertible Bonds and/or Warrant Bonds”.

A resolution to decrease the share capital must generally be adopted by a simple majority of the votes cast and at least 75% of the share capital represented when the resolution is passed. A decrease in the share capital is also possible upon cancellation of treasury shares if the authorization granted to the General Partner by the general meeting to purchase treasury shares explicitly allows for such cancellation (see “15.3 Authorization to Purchase and Use Treasury Shares”).

In accordance with the AktG and the HGB and pursuant to Section 20 (3) of the Articles of Association, any increase or reduction of the Company’s share capital requires the consent of the General Partner. Furthermore, any increase or reduction of the share capital involves an amendment of the Company’s Articles of Association. Pursuant to Sections 5 (3) and (4) as well as Section 13 (5) of the Articles of Association, the Supervisory Board is authorized to make amendments to the Articles of Association that only relate to its wording.

15.9 General Provisions Governing Subscription Rights

Sections 278 para. 3, 186 para. 1 AktG generally grant all shareholders the right to subscribe to new shares of the Company issued within the framework of a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be

traded on stock exchanges for a prescribed period before the deadline for subscription expires. The general meeting may resolve to exclude shareholders' subscription rights; such resolution requires adoption by a simple majority of the votes cast and at least 75% of the share capital represented when the resolution is passed. Exclusion of shareholders' subscription rights, wholly or in part, also requires a report from the General Partner to the general meeting that justifies the exclusion and demonstrates that the Company's interest in excluding subscription rights outweighs the interests of the shareholders to be granted subscription rights. An exclusion of shareholders' subscription rights upon issuance of new shares is generally permissible, provided the Company increases its share capital against cash contributions, the amount of the capital increase in the issued shares with no subscription rights does not exceed 20% of the existing share capital at issue (both at the time when the authorization takes effect and at the time when it is utilized) and the issue price of the new shares is not substantially lower than the stock exchange price of the shares (so-called "simplified exclusion of subscription rights").

15.10 Exclusion of Minority Shareholders

15.10.1 Squeeze-Out under Stock Corporation Law

Sections 327a *et seq.* AktG, which govern a so-called "squeeze-out under stock corporation law," provide that, upon request of a shareholder holding 95% or more of the Company's share capital, the general meeting may resolve to transfer the shares of minority shareholders to such majority shareholder against payment of adequate compensation in cash. The consent of the General Partner is not required. The amount of cash compensation offered to minority shareholders must reflect "the circumstances of the Company" at the time the general meeting passes the resolution. The amount of cash compensation is based on the full value of the Company, which is generally determined using the capitalized earnings method (*Ertragswertmethode*). Minority shareholders are entitled to file for an appraisal proceeding (*Spruchverfahren*), wherein the court will review the appropriateness (*Angemessenheit*) of cash compensation.

15.10.2 Squeeze-Out and Tender Rights under Takeover Law

Under Sections 39a and 39b WpÜG, in the event of a so-called "squeeze-out under takeover law," an offeror holding at least 95% of the voting share capital of a target company (as defined in the WpÜG) following a takeover bid or mandatory offer may, within three months of the expiry of the acceptance period of the offer, request the regional court (*Landgericht*) of Frankfurt am Main, Germany, to order the transfer of the remaining voting shares to such offeror against payment of an adequate compensation. Such transfer does not require a resolution of the target company's general meeting. The consideration paid in connection with the takeover bid or mandatory offer is considered adequate if the offeror has obtained at least 90% of the share capital that was subject to the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer, while at all times a cash compensation must also be offered. In addition, following a takeover bid or mandatory offer, the shareholders in a target company who have not accepted the offer may do so up to three months after the acceptance period has expired (Section 39c of the WpÜG, a so-called "sell-out"), provided the offeror is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a of the WpÜG. The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law and only apply again when these proceedings have been definitively completed.

15.10.3 Squeeze-Out under Transformation Law

Under Section 62 para. 5 UmwG, a majority shareholder holding at least 90% of the Company's share capital may require the Company's general meeting to resolve to transfer the shares of the minority shareholders to such majority shareholder against payment of an adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation (*Aktiengesellschaft*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) or a European stock corporation (*Societas Europaea*, "SE") having its registered office (*Sitz*) in Germany, and (ii) the squeeze-out is performed to facilitate an upstream merger under the UmwG of the Company into the majority shareholder. The general meeting held to approve the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for a squeeze-out under the UmwG is essentially identical to the

“squeeze-out under stock corporation law” described above, including the minority shareholders’ right to have the appropriateness (*Angemessenheit*) of the cash compensation reviewed.

15.11 Shareholder Notification Requirements, Mandatory Takeover Bids and Managers’ Transactions

Since the Company will apply for the admission of the Company’s shares to trading on the regulated market (*regulierter Markt*) of the Frankfurt Stock Exchange, with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, the Company is subject to the Securities Trading Act (*Wertpapierhandelsgesetz* - “**WpHG**”) provisions governing, inter alia, disclosure requirements for significant shareholdings, and the WpÜG provisions governing takeover bids and mandatory offers, as well as the MAR provisions governing, inter alia, obligations of persons discharging managerial responsibilities to disclose transactions in the Company’s shares, debt instruments, related derivatives or other related financial instruments.

15.11.1 Notification Requirements of Shareholders

Pursuant to Section 33 para. 1 of the WpHG, anyone who acquires or whose shareholding in any other way reaches or exceeds 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in the Company is required to concurrently notify the Company and the BaFin of such occurrence. Subsequent notifications are required if such person reaches or exceeds another of the aforementioned thresholds or through sales or in any other way falls below the aforementioned thresholds.

All such notifications must be submitted without undue delay, and no later than four trading days. The four-day notification period starts at the time the person or the entity subject to the notification requirement has knowledge of, or in consideration of the circumstances should have had knowledge of, their proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains an irrefutable presumption that the person or the entity subject to the notification requirement has knowledge at the latest two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 33 para. 3 of the WpHG. If a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity, subject to the notification requirement, has knowledge about such change, or upon the publication of the revised total number of voting rights by the Company, at the latest.

In connection with these requirements, Section 34 of the WpHG contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights that a person or entity is able to exercise as a proxy according to such person’s or entity’s discretion are also attributed to such person or entity. Furthermore, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in a mutual attribution of the full amount of voting rights held by, or attributed to, the third party, as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of the Company. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Except for the 3% threshold, similar notification requirements towards the Company and the BaFin exist pursuant to Section 38 para. 1 of the WpHG, if the aforementioned thresholds have been reached, exceeded or fallen below, because a person or entity holds instruments that (i) confer to him or her (a) the unconditional right to acquire already issued shares of the Company to which voting rights are attached when due or (b) discretion to exercise their right to acquire such shares or (ii) relate to such shares and have a similar economic effect as the aforementioned instruments, whether or not conferring a right to a physical settlement. Thus, the latter mentioned notification requirements also apply, for example, pursuant to Section 39 para. 1 of the WpHG, to share swaps against cash consideration and

contracts for difference. In addition, a person or entity is subject to a notification requirement towards the Company and the BaFin pursuant to Sections 33 para. 1 and 38 para. 1 of the WpHG if the sum of the voting rights from shares and instruments held or attributed to such person or entity reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold. The number of voting rights relevant for the notification requirement will generally be calculated by reference to the full nominal amount of shares underlying the instrument except where the instrument provides exclusively for a cash settlement. Details for such calculations are set out in the Commission Delegated Regulation (EU) 2015/761 of December 17, 2014 supplementing Directive 2004/109/EC with regard to certain regulatory technical standards on major holdings.

15.11.2 Exceptions to Notification Requirements

There are certain exceptions to the notification requirements. For example, a company is exempt from notification obligations if its parent company has filed a group notification pursuant to Section 37 para. 1 of the WpHG. If the company's parent company is itself a subsidiary, then the relevant company is exempt from notification obligations if its parent's parent company has filed such group notification. Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered office (*Sitz*) in the EU or a member state of the European Economic Area ("EEA") are not taken into account for determining the notification obligation or proportion of voting rights held, provided (i) the shares or instruments are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the company's voting rights, and (iii) it is ensured that the voting rights pertaining to such shares or instruments are not exercised or otherwise utilized.

15.11.3 Fulfillment of Notification Requirements

If any notification obligation is triggered, the notifying person or entity is required to complete the notification form included as an annex to the German Securities Trading Notification Regulation (*Wertpapierhandelsanzeigerordnung*). The notice may be submitted either in German or English, in hard copy or via facsimile or by electronic means (e.g. via the MVP Portal of BaFin). Irrespective of the event triggering the notification, the notice must include (i) the number and proportion of voting rights, (ii) the number and proportion of instruments, and (iii) the aggregate number and proportion of voting rights and instruments held by, or attributed to, the notifying person or entity. In addition, the notice must include certain attribution details (e.g., the first name, surname and date of birth of the notifying individual or the legal name, registered office (*Sitz*) and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and whether voting rights or instruments are attributed).

As a German domestic issuer, the Company is required to publish such notices without undue delay, but no later than three trading days after receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire EU and all EEA member states. Under certain circumstances, such publications may be made in English only. The Company is also required to notify the BaFin of these publications, specifying the time of publication and the media used, and to transmit them to the German Company Register (*Unternehmensregister*) for storage.

15.11.4 Consequences of Violations of Notification Requirements

If a shareholder fails to file a notice or provides false information with regard to shareholdings, pursuant to Sections 33 and 34 of the WpHG, the rights attached to shares held by or attributed to such shareholder do not exist for as long as the notification requirements are not fulfilled or not fulfilled appropriately. This temporary nullification of rights applies, in particular, to dividend, voting and subscription rights. However, it does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted willfully and have since been submitted. If the shareholder willfully or with gross negligence fails to disclose the correct proportion of voting rights held, the rights attached to shares held by or attributed to such shareholder cease to exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds, including the 3% threshold, was omitted. The same rules apply to shares held by a shareholder if such

shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 38 para. 1 and 39 para. 1 of the WpHG. In addition, a fine may be imposed for failure to comply with notification obligations. The BaFin also has the right to publish decisions on sanctions and measures with regard to violations of the disclosure obligations and persons responsible for such violations.

15.11.5 Special Notification Requirements for More than 10% of the Voting Rights

Pursuant to Section 43 of the WpHG, a shareholder who reaches or exceeds the threshold of 10% of the voting rights of the Company (after Admission to Trading of the Company's shares on the regulated market of the Frankfurt Stock Exchange), or a higher threshold, is required to notify the Company (which has to publish such information) within 20 trading days regarding the objective being pursued through the acquisition of such voting rights, as well as regarding the source of funds used for the purchase. Afterwards, changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10% threshold has been reached, the aforementioned attribution rules apply.

15.11.6 Government Approval in accordance with German Foreign Investment Regime

German foreign trade law requires foreign investors to obtain government approval for the acquisition of shares of the Company if the acquirer directly or indirectly holds at least 10% of the voting rights of the Company following the acquisition (see "*11.13 German Foreign Investment Regime*").

15.12 Mandatory Offers

Pursuant to the WpÜG, every person whose share of voting rights reaches or exceeds 30% of the voting rights of the Company is required to publish this fact, including the percentage of its voting rights, within seven calendar days. Such publication must be furnished on the internet and by means of an electronically operated system for disseminating financial information unless an exemption has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in the Company. The WpÜG contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to such shares. If the relevant shareholder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, such shareholder is barred from exercising the rights associated with these shares (including voting rights and, in case of willful failure to send the notice and failure to subsequently send the notice in a timely manner, the right to dividends) for the duration of the non-compliance. A fine may also be imposed in such cases.

15.13 Transactions Undertaken for the Account of a Person with Management Duties

According to Article 19 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**MAR**"), a person discharging managerial responsibilities within the meaning of Article 3 para. 1 No. 25 of the MAR ("**Executive**") must notify the Company and the BaFin of transactions undertaken for their own account relating to the Company's shares, debt instruments, or related financial instruments (subject to a €20,000 *de minimis* exception per calendar year for all such transactions), including, inter alia, the pledging or lending of financial instruments, transactions undertaken by any person professionally arranging or executing transactions on behalf of an Executive or a closely associated person or entity of an Executive, including where discretion is exercised, and transactions made under a life insurance policy. Such notifications are required to be made promptly and no later than three business days after the date of the relevant transaction. For the purposes of the MAR, an Executive means a person within the Company who is a member of the administrative, management or supervisory body of the Company or a senior executive who is not such member but who has regular access to inside information relating directly or indirectly to the Company and who has the power to make managerial decisions affecting the future developments and business prospects of the Company. A person closely associated with an

Executive means certain family members, namely a spouse, a registered civil partner (*eingetragener Lebenspartner*), a dependent child, as well as a relative who has shared the same household for at least one year on the date of the transaction concerned. A person closely associated also includes a legal person, trust or partnership, the managerial responsibilities of which are discharged by an Executive of the Company or by a family member of them. Finally, the term includes a legal person, trust or partnership which is directly or indirectly controlled by an Executive (or by one of its family members) or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such a person.

The Company is required to ensure that such notifications are promptly made public and no later than two business days after the relevant transaction. In addition, the Company is required to, without undue delay, transmit the information to the German Company Register (*Unternehmensregister*) and notify the BaFin. Non-compliance with the notification requirements may result in a fine.

15.14 Post-Admission Disclosure Requirements

After the Admission to Trading of the Company's shares, the Company will for the first time be subject to the legal disclosure requirements for German companies with shares listed on a public exchange. These disclosure requirements include, inter alia, the disclosure of an audited report of the remuneration paid to members of the management and the Supervisory Board (*Vergütungsbericht*), the disclosure of transactions with related parties, periodic financial reporting and other required disclosures according to the WpHG, as well as disclosure requirements under the MAR. The Company will also be obligated under the listing rules of the Frankfurt Stock Exchange (*Börsenordnung für die Frankfurter Wertpapierbörse*), as amended from time to time, to publish quarterly statements, as the Company's shares are to be listed on the Prime Standard sub-segment of the regulated market of the Frankfurt Stock Exchange.

Pursuant to Article 17 of the MAR, the Company is required to inform the public as soon as possible of inside information (as defined below) which directly concerns the Company. In such case, the Company is required to also, prior to informing the public, inform the BaFin and the management of the trading venues and facilities (*Geschäftsführungen der Handelsplätze*) where financial instruments of the Company have been admitted to trading or been included in such trading, and, after publication, without undue delay transmit the information to the German company register (*Unternehmensregister*).

Inside information comprises, inter alia, any information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the price of those financial instruments or on the price of related derivative financial instruments.

The Company may, at its own risk, delay disclosure of inside information if (i) immediate disclosure is likely to prejudice the legitimate interests of the Company, (ii) delay of disclosure is not likely to mislead the public and (iii) the Company is able to ensure that the inside information will remain confidential. In such case, the Company is required to also inform the BaFin that disclosure of the information was delayed and provide a written explanation of how the conditions set out in the preceding sentence were met immediately after the information is disclosed to the public. Where disclosure of inside information has been delayed and the confidentiality of that inside information is no longer ensured, the Company is required to disclose such inside information to the public as soon as possible.

15.15 EU Short Selling Regulation (Ban on Naked Short Selling)

Pursuant to Regulation (EU) No. 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps (the "**EU Short Selling Regulation**"), the European Commission's delegated regulation for the purposes of detailing the EU Short Selling Regulation, and the German EU Short Selling Implementation Act (*EU-Leerverkaufs-Ausführungsgesetz*) of November 15, 2012, the short selling of the Company's shares is only permitted under certain conditions. Additionally, under the provisions of the EU

Short Selling Regulation, significant net short selling positions in the Company's shares must be reported to the BaFin and published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net Short Positions (*Netto-Leerverkaufspositionsverordnung*) of December 17, 2012. The net short selling positions are calculated by offsetting the short positions of a natural person or legal entity in the Company's shares with its long positions in such shares. The details are regulated in the EU Short Selling Regulation and the other regulations which the European Commission enacted on short selling. In certain situations, described in the EU Short Selling Regulation, the BaFin may restrict short selling and comparable transactions.

16 Governing Bodies

16.1 Overview

The Company is a German law partnership limited by shares (*Kommanditgesellschaft auf Aktien*, “**KGaA**”). The General Partner is a German stock corporation (*Aktiengesellschaft*, or “**AG**”). The Company is the parent company of the Group. The Company is governed by the Articles of Association (*Satzung*) and the general provisions of German corporate law, particularly the AktG and the HGB.

A KGaA is a hybrid legal form under German corporate law, which has elements of both a limited partnership (*Kommanditgesellschaft*) and a stock corporation (*Aktiengesellschaft*). Similar to a stock corporation (*Aktiengesellschaft*), the partnership limited by shares (*Kommanditgesellschaft auf Aktien*) has a share capital (*Grundkapital*) that is divided into shares. Besides the German stock corporation (*Aktiengesellschaft*) and the European stock corporation (*Societas Europaea*), the partnership limited by shares is the only German entity whose shares are eligible for listing on a stock exchange in Germany. However, different from a German stock corporation (*Aktiengesellschaft*) and similar to a limited partnership (*Kommanditgesellschaft*), a partnership limited by shares (*Kommanditgesellschaft auf Aktien*) has two different groups of shareholders: (i) at least one partner, which can be a natural or a legal person, with generally unlimited personal liability, the so-called general partner (*Komplementär*), responsible for managing the business of the company, and (ii) shareholders who participate in the company’s share capital (*Grundkapital*) but are excluded from the management of the company and who are not personally liable, the so-called limited shareholders (*Kommanditaktionäre*) and who are represented by the general shareholders’ meeting.

Pursuant to Section 278 para. 2 AktG, the legal relationship of general partners *inter se* and *vis-à-vis* the entirety of the limited shareholders (*Kommanditaktionäre*) (i.e., the shareholders participating in the Company’s share capital (*Grundkapital*) who are excluded from the management of the Company and are not personally liable for the Company’s debts) of a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), as well as *vis-à-vis* third parties, namely the authority of a general partner to manage the affairs of the Company and to represent it, is governed by the regulations of the HGB relating to the limited partnership (*Kommanditgesellschaft*). In all other cases, Book 1 of the AktG relating to the German stock corporation (*Aktiengesellschaft*) generally applies *mutatis mutandis* to the partnership limited by shares (*Kommanditgesellschaft auf Aktien*) unless anything to the contrary is stipulated. Like a German stock corporation (*Aktiengesellschaft*), the share capital of a KGaA is held by its shareholders. Like a limited partnership, the KGaA is managed by a general partner which is subject to unlimited liability *vis-à-vis* third parties. The general partner of the Company is TKMS Management AG with its registered office as of the date of this Prospectus at thyssenkrupp Allee 1, 45143 Essen, Germany. It is planned to relocate the registered office of TKMS Management AG to Werftstraße 112-114, 24143 Kiel.

The corporate bodies of a KGaA are its general partner, its supervisory board and the general meeting of shareholders. Unlike an AG, in which the supervisory board appoints the management board, the supervisory board of a KGaA has, in case of the general partner being a legal person, no influence on the appointment of the managing body of the general partner pursuant to statutory law. The Company currently has one general partner, but a KGaA may have one or more general partners who conduct the business of the KGaA. The removal of a general partner from office is subject to very strict conditions and does, under statutory law, not fall within the competencies of the KGaA’s supervisory board. A general partner may, but is not required to, purchase shares of the KGaA or to make a capital contribution. A general partner is personally liable for the liabilities of the KGaA in relation to third parties (subject, in the case of corporate general partners, to applicable limits on the liability of corporations generally).

According to Section 7 (3) of the Articles of Association, the General Partner shall especially be excluded from the Company if and as soon as the respective shareholders of the General Partner and/or their affiliates pursuant to Sections 15 et seqq. AktG jointly hold less than 30% of the share capital of the Company directly or indirectly for more than one month. This shall not apply if all shares in the general partner are held by the Company. The other statutory grounds for an exit of the general partner remain unaffected.

Pursuant to Section 7 (4) of the Articles of Association, if the General Partner leaves the Company or if such leave is foreseeable, the supervisory board is authorized and obligated to admit promptly, or at the time of the leave of the general partner, as the case may be, as new General Partner of the Company a corporation whose shares are fully owned by the Company. If the General Partner leaves the Company without any general partner being admitted at the same time, the Company shall for a transitional period be continued by the limited shareholders alone. In such case, the supervisory board shall promptly apply for the appointment of a substitute representative who will represent the Company until the admission of a new general partner as described above, in particular with respect to the acquisition or formation of such new general partner. According to Section 7 (6) of the Articles of Association, in case the Company is continued pursuant to Section 7 (4) of the Articles of Association or in case all shares in the general partner are held directly or indirectly by the Company, an extraordinary general meeting or the next ordinary general meeting shall decide on the change of the legal form of the Company into a German stock corporation (*Aktiengesellschaft*) or, if legally permissible, into a *Societas Europaea* (SE). The resolution with respect to such change of the legal form can be taken by simple majority of the votes cast. The General Partner is obliged to consent to such resolution on the change of the legal form adopted by the general meeting.

16.2 TKMS Management AG (General Partner)

TKMS Management AG, a German stock corporation (*Aktiengesellschaft*) is the sole general partner of the Company (the “**General Partner**”). The only corporate purpose of the General Partner is to conduct the Company’s business and represent it vis-à-vis third parties. As of the date of this Prospectus, the registered share capital of the General Partner is €50,000.

As a German stock corporation (*Aktiengesellschaft*), the General Partner has a two-tier management and control system. It consists of the General Partner’s management board (the “**Management Board**”) and the General Partner’s supervisory board (the “**General Partner’s Supervisory Board**”). Together with the General Partner’s general meeting (*Hauptversammlung*), they form the corporate bodies of the General Partner. Their functions, rights and obligations are governed by the German Stock Corporation Act (*Aktiengesetz*), the Articles of Association, the General Partner’s articles of association (the “**General Partner’s Articles of Association**”), the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*) (the “**Management Board’s Rules of Procedure**”) and the rules of procedure for the General Partner’s Supervisory Board (*Geschäftsordnung für den Aufsichtsrat*). Generally, the Management Board is responsible for managing the General Partner’s day-to-day business (for further details see “16.2.2 Management Board of the General Partner”), while the General Partner’s Supervisory Board advises and supervises the Management Board (for further details see “16.2.3 Supervisory Board of the General Partner”).

Pursuant to Section 7 (2) of the Articles of Association, the General Partner has not made a capital contribution to the Company, does not hold any shares in the Company and, therefore, will not participate in its assets or its profits and losses. The General Partner will be reimbursed for any expenses incurred in connection with the fulfilment of its duties, including the remuneration of the General Partner’s members of the Management Board and General Partner’s Supervisory Board pursuant to Section 9 (1) of the Articles of Association. In addition, in return for assuming the management of the Company and its liability exposure, the General Partner will receive an annual compensation of €5,000.00 pursuant to Section 9 (2) of the Articles of Association. This annual compensation is fixed due to the statutory personal liability of the General Partner and constitutes an indirect return on the Existing Shareholder’s investment in the registered share capital of the General Partner. The compensation is also reasonable and required for tax reasons in order to avoid a constructive dividend by the General Partner to the Existing Shareholder.

The position of the general partner in a KGaA is different and in part stronger than that of the shareholders based on: (i) the management powers of the general partner, (ii) the existing de facto veto rights regarding material resolutions adopted by the KGaA’s general meeting of shareholders and (iii) the independence of a general partner from the influence of the KGaA’s general meeting as a collective body (see “16.5 General Meeting”). The shareholders of the general partner, via the general partner’s general meeting, have the sole power to appoint the members of the General

Partner's Supervisory Board, who in turn appoint the members of the Management Board, who act on behalf of the General Partner in the conduct of the Company's business and in relations with third parties.

The statutory provisions governing a limited partnership also apply to a KGaA pursuant to Section 278 para. 2 AktG and generally provide that the consent of the KGaA shareholders at a general meeting is required for transactions that are not in the ordinary course of business. However, as permitted by statute, Section 8 (2) sentence 2 of the Articles of Association permits such decisions to be made by the General Partner without the consent of the shareholders of the Company. This in particular does not affect the general meeting's right of approval with regard to measures of unusual significance, such as a spin-off of a substantial part of a company's assets, as developed in the German Federal Supreme Court (*Bundesgerichtshof*) decisions.

16.2.1 General Meeting of the General Partner

Pursuant to Section 17 (2) of the General Partner's Articles of Association, the general meeting of the General Partner shall be convened by the Management Board or, where provided by statutory law, by the General Partner's Supervisory Board. Unless a shorter period is legally permissible, the general meeting of the General Partner shall be convoked at least 30 days prior to the day of the general meeting. For purposes of calculating the foregoing 30-days period, the day of the convocation and the day of the general meeting shall be disregarded. The general meeting of the General Partner may also pass resolutions without complying with Section 121 to 127a AktG and Section 17 of the General Partner's Articles of Association if all shareholders have appeared or are represented and no shareholder objects to the resolution.

Pursuant to Section 17 (5) of the General Partner's Articles of Association, for a period of five years following the registration of this provision, the Management Board shall be authorized to provide in the convocation that shareholders may participate in the general meeting without being present or represented by a proxy and exercise all or only specific of their shareholder rights by means of electronic communication.

Pursuant to Section 20 (1) of the General Partner's Articles of Association, each share shall confer one vote. The Management Board is authorized to provide in the convocation that shareholders may cast their votes in writing or by means of electronic communication without participating in the general meeting. Further, the voting right may be exercised by a proxy. Authorization shall be granted in text form or, if provided in the convocation, a less strict form, unless statutory law allows for more relaxed form requirements. Authorization of proxies nominated by the company may also be granted in other form, in particular by telephone or data transfer; details may be determined in the convocation.

Pursuant to Section 19 (1) of the General Partner's Articles of Association, the general meeting of the General Partner shall be chaired by the chairperson of the General Partner's Supervisory Board. If he is unable to attend or at his request, another member of the Supervisory Board to be nominated by the chairperson of the Supervisory Board will chair the general meeting. If there is no such appointment, the general meeting shall be chaired by another member of the Supervisory Board to be appointed by the Supervisory Board if the chairperson of the Supervisory Board is prevented from doing so. The chairperson shall guide the debates and determine the order of agenda items, as well as the manner of casting votes in the general meeting (Section 19 (2) of the General Partner's Articles of Association).

16.2.2 Management Board of the General Partner

16.2.2.1 Overview

As of the date of this Prospectus, the Management Board has four members which serve as the senior management for the Company. The members of the Management Board are appointed by the General Partner's Supervisory Board. The members of the Management Board are responsible for managing the General Partner's day-to-day business and for representing the General Partner vis-à-vis third parties.

Pursuant to Section 7 (1) of the General Partner's Articles of Association, the Management Board shall have at least two members. The General Partner shall be represented either jointly by two Management Board members or by a

Management Board member acting jointly with an authorized representative (*Prokurist*). Furthermore, pursuant to Section 8 (2) of the General Partner’s Articles of Association, the General Partner’s Supervisory Board may authorize individual or all members of the Management Board to represent the Company alone. Furthermore, the General Partner’s Supervisory Board may release Management Board members from the restrictions on multiple representation pursuant to Section 181 second alternative German Civil Code (*Bürgerliches Gesetzbuch*).

Pursuant to Section 9 of the General Partner’s Articles of Association, the General Partner’s Supervisory Board shall issue Management Board’s Rules of Procedure, which set out further details regarding the allocation of responsibilities, the procedure and the majorities for passing resolutions within the Management Board as well as matters which require the prior consent of the Supervisory Board (for further details see “16.2.3 Supervisory Board of the General Partner”).

16.2.2.2 Members of the Management Board

The following table lists the current members of the Management Board and their respective responsibilities:

Name	Born	First appointed in⁽¹⁾	Appointed until	Current Function
Oliver Burkhard	January 15, 1972	2022	2028	Chief Executive Officer (“ CEO ”)
Paul Glaser	July 2, 1984	2021	2030	Chief Financial Officer (“ CFO ”)
Angelika Kambeck	December 6, 1971	2025	2028	Chief Human Resources Officer (“ CHRO ”)
Dr. Dirk Steinbrink	June 3, 1965	2023	2028	Chief Technology Officer (“ CTO ”)

Note:

(1) Relates to the appointment at the former operating entity of the Group, TKMS GmbH (if applicable).

The following overview lists all of the companies and enterprises in which the current members of the Management Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were shareholders during the last five years, with the exception of the Company and companies within the Group:

Oliver Burkhard	Current seats:	• none
	Past seats:	• CHRO of thyssenkrupp AG 2013-2025
Paul Glaser	Current seats:	• none
	Past seats:	• none
Angelika Kambeck	Current seats:	• none
	Past seats:	• CHRO of CWS Group 2021-2022
		• CHRO of Klöckner & Co. SE 2016-2021

Dr. Dirk Steinbrink

Current seats:

- none

Past seats:

- CEO at Braunschweigische Maschinenbauanstalt AG 2018-2023

All members of the Management Board may be reached at the Company's offices at Werftstrasse 112-114, 24143 Kiel, Germany (telephone +49 431 700 0).

The following description provides summaries of the curricula vitae of the current members of the Management Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Oliver Burkhard

Oliver Burkhard began his career at the Federal Statistical Office of Germany (*Statistisches Bundesamt*). From 1997 to 2012 he worked in various functions and locations at the German metal workers union IG Metall. From 2013 to 2025, Oliver Burkhard was a member of the executive board of thyssenkrupp AG, serving as CHRO. Since 2022, he has been appointed as CEO of the Company. Oliver Burkhard studied business administration at Fachhochschule Mainz from 1993 to 1998.

Paul Glaser

Paul Glaser began his career at the thyssenkrupp Group in 2011, working at various companies and in different roles, including thyssenkrupp AG and thyssenkrupp CSA in Brazil. Since 2018, he has been working at the Company and has been appointed CFO in 2021. Paul Glaser studied executive education at the London Business School, received an M.A. in general management from Universität Witten/Herdecke, studied strategic management at the Stockholms Universitet and received a B.A. in business communication and management from the Hochschule für Technik und Wirtschaft Berlin.

Angelika Kambeck

Angelika Kambeck began her career at Klöckner & Co. AG in 1995 and then worked in various human resources related roles at Volkswagen and E.ON until returning to Klöckner in 2010, where she served as CHRO from 2016 to 2021. After a brief term as CHRO at CWS group she operated her own consulting business until being appointed CHRO of the Company in 2025. Angelika Kambeck received the degree *Diplom-Pädagogin* in business education, psychology and sociology from the Universität Duisburg-Essen and an Executive Master of Knowledge Management from the Technische Universität Chemnitz.

Dr. Dirk Steinbrink

Dr. Dirk Steinbrink began his career at Nexans, a global producer in the cable and optical fiber industry in 1998, working there in various roles and functions until becoming CEO in 2017. Thereafter he worked at BMA (*Braunschweigische Maschinenbauanstalt*) from 2018 to 2023. Dr. Dirk Steinbrink became chief operating officer (COO) of the Company in 2023 and CTO of the Company in 2025. He has a Ph.D. in electrical engineering from Bergische Universität Wuppertal.

16.2.2.3 Remuneration and other benefits of the members of the Management Board

During the fiscal year ended September 30, 2024, the aggregate compensation of the Management Board of the Company amounted to €1,976 thousand (including €500 thousand incurred at the thyssenkrupp AG level and allocated to the Group).

Compensation system and structure

The compensation system going forward will generally consist of non-performance-related elements, including a base salary, fringe benefits and a pension allowance, as well as variable, performance-related compensation elements, including a short-term incentive (“**STI**”) and a long-term incentive (“**LTI**”). The Supervisory Board has decided on a ratio of approximately 27% for the base salary, approximately 2% for the fringe benefits, approximately 8% for pension allowance, approximately 25% for the STI and approximately 38% for the LTI.

The members of the Management Board of the General Partner will receive a gross annual base salary, which is paid in cash in twelve monthly installments. The gross annual base salary will amount to €700,000 for the CEO and to €365,000 for the other members of the Management Board.

Besides the base salary, the members of the Management Board will receive a pension allowance for their own provision, which will be paid annually, as well as other fringe benefits in the form of benefits in kind; these include, as standard benefits, a passenger car for business and private use, security services, insurance premiums, and preventive medical checkups.

Performance-related Compensation

Besides the annual fixed compensation, the members of the Management Board receive a variable, performance-oriented compensation including an STI as well as an LTI. The variable compensation will be based on financial and non-financial performance targets as well as the performance of the share price and therefore will incentivize a sustainable and long-term development of the Company. In order to comply with the regulatory requirements and to predominantly incentivize long-term success, the gross target amount of the LTI exceeds that of the STI. This ensures that variable compensation is rather resulting from the achievement of long-term targets than from the achievement of short-term targets.

Short-Term Incentive (STI)

The STI is designed as an annual target bonus with a one-year performance period. The gross target amount of the STI is €680,000 for the CEO and €340,000 for the other members of the Management Board. It is the amount which will be paid out to members of the Management Board in cash in case of 100% target achievement. The overall target achievement and resulting payout are capped at 200% of the respective target amount.

Based on the strategic alignment of the Company, the STI comprises financial and non-financial performance targets. EBT as reported (weighting: 40%) as a measure of profitability and sales recognition (weighting: 30%) as a measure of sustainable growth have been chosen by the Supervisory Board as financial performance targets. In addition, individual performance targets will be set by the Supervisory Board on a yearly basis. They enter into the overall target achievement with a weighting of 30%.

Long-Term Incentive (LTI)

The LTI is intended as a long-term performance-related compensation component with a performance period of four years. The LTI is designed as a virtual performance share plan and therefore incentivizes the long-term development of the Company. The annual gross target amount of the LTI is €1,050,000 for the CEO and €515,000 for the other members of the Management Board. These amounts are converted into virtual performance shares at the beginning of the four-year performance period.

The final number of virtual performance shares at the end of the performance period depends on the target achievement with regard to the relative Total Shareholder Return (“**TSR**”) of the Company compared to a peer group (weighting: 80%) and the accident frequency rate (weighting: 20%). The Supervisory Board has decided on the companies of the STOXX® Europe Total Market Aerospace & Defense index as a suitable peer group, against which the TSR will be measured relatively. The target achievement is capped at 200%. The final number of virtual shares

is subsequently converted into the final payout amount using the share price at the end of the performance period, which is then paid out in cash. The payout cap amounts to 200% of the target amount.

Share Ownership Guidelines

Share ownership guidelines with the members of the Management Board have also been agreed. According to these guidelines, the members of the Management Board will be required to acquire shares in the Company with a total value equal to one year's fixed salary (gross) and to hold these for the duration of their appointment. Until the total investment volume is reached, a minimum annual investment amount of 25% of the net payment from the performance-related remuneration components (STI and LTI) applies.

Maximum Compensation

The compensation of the members of the Management Board is to be limited in two respects. First, caps are set for the performance-related components and all the individual elements thereof (STI: 200% of the target amount, LTI: 200% of the target amount). Second, a maximum compensation is set in accordance with Section 87a (1) sentence 2 no. 1 AktG, which limits the total amount of compensation actually paid for a specific fiscal year. For the CEO, the maximum compensation amount is €4.5 million, for the other members of the Management Board €2.25 million each. If the service contract begins or ends during the year, these caps apply pro rata temporis. Benefits in the event of early termination of the service contract are not included in the maximum compensation.

Malus and Clawback rules

In addition, agreements have been made with the members of the Management Board whereby the Supervisory Board shall have the option, in the event of serious violations by members of the Management Board of applicable law or applicable internal company or Group regulations and guidelines, to reduce or completely waive variable remuneration components (STI and LTI) ("malus clause"). The Supervisory Board shall make this decision at its discretion. In addition, if a malus clause becomes applicable after the fact, the Supervisory Board has the option of reclaiming variable compensation components already paid to members of the Management Board in whole or in part (compliance clawback). Furthermore, if variable remuneration components are paid out on the basis of incorrect consolidated financial statements, the Supervisory Board may reclaim the difference determined on the basis of a corrected determination (performance clawback). Any obligation of the member of the Management Board to pay damages to the company in accordance with Section 93 (2) AktG remains unaffected by this.

Severance payments

In case of early termination of the service contract at the instigation of the General Partner before the end of the agreed contract period, the members of the Management Board may receive a severance payment. The maximum amount of the severance payment complies with the recommendations of the German Corporate Governance Code and therefore cannot exceed two years' compensation (severance cap) and shall not compensate more than the remaining term of the contract.

Future revision of the compensation of the members of the Management Board

In the future, the Supervisory Board will regularly review the appropriateness and customary nature of the compensation of the members of the Management Board—both overall and with regard to the individual components of compensation—and make adjustments as necessary to ensure that the compensation package for the members of the Management Board is customary for the market and competitive within the regulatory framework. The criteria for determining the appropriateness of remuneration are the tasks and personal performance of the individual member of the Management Board and the economic situation of the Company. The customary nature of remuneration is assessed both in comparison with other companies (horizontal comparison) and within the Company on the basis of the ratio of Management Board remuneration to the remuneration of senior management and the workforce as a whole (vertical comparison).

16.2.2.4 Shareholdings of the Members of the Management Board

As of the date of this Prospectus, no members of the Management Board directly or indirectly hold Shares or options on Shares. Oliver Burkhard and Dr. Dirk Steinbrink hold shares in thyssenkrupp AG and will therefore receive Shares proportionate to their holdings in thyssenkrupp AG following the implementation of the Spin-off.

16.2.3 Supervisory Board of the General Partner

As of the date of this Prospectus, the General Partner's Supervisory Board consists pursuant to Section 10 (1) of the General Partner's Articles of Association of three (3) members: Dr. Volkmar Dinstuhl, Dr. Sebastian Lochen and Jennifer Cooper (all of which are also members of the Supervisory Board, for further details see "*16.3.2 Members of the Supervisory Board*"). It is planned to increase the size of the General Partner's Supervisory Board from three (3) to six (6) members in connection with the Spin-off Effective Date. The following three (3) additional members, which will also become members of the Supervisory Board (for further details see "*16.3.2 Members of the Supervisory Board*"), have been appointed with their appointment taking effect as of the Spin-off Effective Date: Miguel Ángel López Borrego, Dr. Axel Hamann and Admiral ret. Joachim Rühle. All members of the Supervisory Board are elected by the general meeting of the General Partner.

Pursuant to Section 11 (1) of the General Partner's Articles of Association, the Supervisory Board selects a chairman and a deputy chairman from among its members. The meetings of the Supervisory Board, which the chairman convenes with fourteen (14) days' notice and in text form, are generally to be held as in-person meetings. The chairman may permit that meetings of the General Partner's Supervisory Board are held by way of a video or telephone conference or that individual members participate by way of a video transmission or telephone. Dr. Volkmar Dinstuhl has been elected as chairman of the General Partner's Supervisory Board.

Pursuant to Section 12 (6) of the General Partner's Articles of Association, the General Partner's Supervisory Board passes its resolutions by a simple majority of the votes submitted in the voting, unless other majorities are required by mandatory law or the General Partner's Articles of Association. If a vote is tied, the chairman shall decide whether the matter shall be voted on again and whether the new poll shall be taken at the same or another meeting of the General Partner's Supervisory Board. On such second vote on the same matter the chairman may cast two votes. If a new vote on the same matter also results in a tie, the application shall be deemed to be rejected.

Pursuant to Section 16 (1) of the General Partner's Articles of Association the General Partner's Supervisory Board may establish committees from among its members and define their responsibilities. As of the date of this Prospectus, the General Partner's Supervisory Board has not made use of this possibility.

Pursuant to Section 6 (1) of the Management Board's Rules of Procedure, the Management Board shall require the prior consent of the General Partner's Supervisory Board to undertake measures or transactions to the extent provided by law, the General Partner's Articles of Association, the Articles of Association, the Management Board's Rules of Procedure, the rules of procedure for the General Partner's Supervisory Board or a resolution of the General Partner's Supervisory Board. Pursuant to Section 6 (2) of the Management Board's Rules of Procedure the Management Board shall require the prior approval of the Supervisory Board to take the following measures: (i) fundamental changes in the organization of TKMS Group; (ii) the annual investment plan of TKMS Group and funding thereof; (iii) fundamental changes to the real estate policy of TKMS Group; (iv) the acquisition, sale or encumbrance of real estate and equivalent titles or titles to real estate by TKMS KGaA or any other company of TKMS Group with a market value of more than €10m in an individual case or as part of several related transactions; (v) acquiring or transferring of stock, shares, businesses, parts of businesses or assets by TKMS KGaA or any other company of TKMS Group with a market value of more than €10 million in an individual case or as part of several related transactions (with the exception of TKMS Group-internal transactions); (vi) investments outside the annual investment plan (see lit. (ii)) and insofar as their value exceeds €10 million; (vii) development of new fields of business or reduction or abandonment of existing fields of business if of material significance to the TKMS Group; (viii) incurring or assuming loans or other means of external financing including credit substitutes and bank guarantees outside the

annual investment plan (see lit. (ii)) and insofar as their value exceeds €10 million; (ix) granting of sureties, guarantees or any similar liability outside the ordinary course of business and with a volume of more than €10 million per individual case or in total in one fiscal year and granting of pledges and encumbrances of assets of TKMS Group; (x) granting of loans or financing in any form to companies of the thyssenkrupp Group by TKMS KGaA or any other company of TKMS Group and granting of loans or financing to third parties outside the ordinary course of business.

16.3 Supervisory Board of the Company

16.3.1 Overview

As of the date of this Prospectus, the Supervisory Board consists pursuant to Section 10 (1) of the Articles of Association of three (3) members: Dr. Volkmar Dinstuhl, Dr. Sebastian Lochen and Jennifer Cooper. It is planned to increase the size of the Supervisory Board from three (3) to ten (10) members in connection with the Spin-off Effective Date. The following seven (7) additional members have been appointed with their appointment taking effect as of the Spin-off Effective Date: Miguel Ángel López Borrego, Dr. Axel Hamann, Frank Lenski, Volker Troche, Admiral ret. Joachim Rühle, Harald von Heynitz, and Andreas Görgen.

All members of the Supervisory Board are elected by the general meeting of the Company. At the first meeting of the Supervisory Board, Dr. Volkmar Dinstuhl has been elected as chairperson and Dr. Sebastian Lochen as deputy chairperson of the Supervisory Board.

Pursuant to Section 14 of the Company’s Articles of Association, the Company’s Supervisory Board shall adopt its rules of procedure in accordance with statutory law and Company’s Articles of Association, which set out further details regarding the allocation of responsibilities, the procedure and the majorities for passing resolutions within the Supervisory Board of the Company (the “**Rules of Procedure of the Company’s Supervisory Board**”).

Pursuant to Section 5 (5) of the Rules of Procedure of the Company’s Supervisory Board, unless other majorities are required by mandatory law or the Articles of Association, the Supervisory Board passes its resolutions by a simple majority of the votes cast. An abstention shall not be considered as a vote cast. If a vote is tied, the chairperson shall decide whether the matter shall be voted on again and whether the new vote shall be taken at the same or another meeting of the Supervisory Board. On such second vote on the same matter the chairman may cast two votes. This does not apply to the Deputy Chairman, not even in the event that the Chairman does not participate in the vote. If a repeated vote on the same matter also results in a tie, the proposed resolution shall be deemed to be rejected.

16.3.2 Members of the Supervisory Board

The following table lists the members of the Supervisory Board following their planned appointment as of the Spin-off Effective Date:

Name	Born	Member since	Appointed until	Position	Principal occupation
Dr. Volkmar Dinstuhl	September 26, 1972	2025	2029	Chair of the Supervisory Board	Member of the Executive Board of thyssenkrupp AG
Miguel Ángel López Borrego	January 20, 1965	2025	2029	Deputy Chair of the Supervisory Board	Chief Executive Officer of thyssenkrupp AG
Dr. Axel Hamann	August 29, 1974	2025	2029	Member of the Supervisory Board	Chief Financial Officer of thyssenkrupp AG
Jennifer Cooper	September 3, 1967	2025	2029	Member of the Supervisory Board	Senior Project Manager, Group Function Mergers &

Name	Born	Member since	Appointed until	Position	Principal occupation
Dr. Sebastian Lochen	October 14, 1976	2025	2029	Member of the Supervisory Board	Acquisitions, thyssenkrupp AG Group General Counsel and Chief Compliance Officer at thyssenkrupp AG
Frank Lenski	December 13, 1961	2025	2029	Member of the Supervisory Board	Retired
Volker Troche	July 16, 1968	2025	2029	Member of the Supervisory Board	Member of the Executive Board of Alfried Krupp von Bohlen und Halbach Foundation
Admiral ret. Joachim Rühle	May 1, 1959	2025	2029	Member of the Supervisory Board	Retired
Harald von Heynitz	July 15, 1960	2025	2029	Member of the Supervisory Board	Member of the Supervisory Board of Cherry SE
Andreas Görgen	March 26, 1967	2025	2029	Member of the Supervisory Board	Retired

The following overview lists all of the companies and enterprises in which the current members of the Supervisory Board currently hold seats or have held seats on administrative, management or supervisory boards, or comparable German or foreign supervisory bodies, or of which they were shareholders during the last five years, with the exception of the Company and companies within the Group:

Dr. Volkmar Dinstuhl

Current seats:

- Member of the Executive Board of thyssenkrupp AG Since 2024
- Chairman of the Supervisory Board of thyssenkrupp Bilstein GmbH Since 2024
- Chairman of the Supervisory Board of thyssenkrupp Industrial Solutions AG Since 2023
- Chairman of the Supervisory Board of thyssenkrupp Automotive Body Solutions GmbH Since 2024
- Member of the Supervisory Board of thyssenkrupp Steel Europe AG Since 2024
- Member of the Management Board of thyssenkrupp Dritte Beteiligungsgesellschaft mbH Since 2025
- Member of the Management Board of Thyssen Stahl GmbH Since 2025
- Chairman of the Supervisory Board of thyssenkrupp nucera AG & Co. KGaA Since 2022

- Chairman of the Supervisory Board of thyssenkrupp nucera Management AG Since 2021
- Chairman of the Board of Directors of thyssenkrupp (China) Ltd. Since 2024
- Member of the Supervisory Board of thyssenkrupp Presta AG Since 2024

Past seats:

- Board Member of Vertical Topco S.à r.l. 2020-2025
- Chairperson of the Board of Directors of AST S.p.A. 2020-2022

Miguel Ángel López Borrego

Current seats:

- Chief Executive Officer of thyssenkrupp AG Since 2023
- Member of the Supervisory Board of thyssenkrupp Steel Europe AG Since 2023
- Member of the Management Board of thyssenkrupp Dritte Beteiligungsgesellschaft mbH Since 2025
- Member of the Management Board of Thyssen Stahl GmbH Since 2025
- Member of the Supervisory Board of thyssenkrupp nucera AG & Co. KGaA Since 2023
- Member of the Supervisory Board of thyssenkrupp nucera Management AG Since 2023
- Chairman of the Supervisory Board of thyssenkrupp Uhde GmbH Since 2024
- Chief Executive Officer of thyssenkrupp Decarbon Technologies GmbH Since 2023

Past seats:

- Supervisory Board Member of Norma Group SE 2021-2024
- Chairman of the Executive Board of Norma Group SE 2023
- Chairman of the Executive Board of Siemens Gamesa Renewable Energy S.A., Spain 2018-2022
- Chief Executive Officer of Siemens S.A., Spain 2018-2022

Dr. Axel Hamann

Current seats:

- Chief Financial Officer of thyssenkrupp AG Since 2025
- Member of the Management Board of Thyssen Stahl GmbH Since 2025
- Member of the Management Board of thyssenkrupp Dritte Beteiligungsgesellschaft mbH Since 2025

- Member of the Supervisory Board of thyssenkrupp Steel Europe AG Since 2025
- Chairman of the Supervisory Board of thyssenkrupp Material Services GmbH Since 2025

Past seats:

- None

Jennifer Cooper

Current seats:

- Supervisory Board Member of thyssenkrupp nucera AG & Co. KGaA Since 2022
- Supervisory Board Member of thyssenkrupp nucera Management AG Since 2022

Past seats:

- Supervisory Board Member of thyssenkrupp Elevator AG 2016-2020

Dr. Sebastian Lochen

Current seats:

- Supervisory Board Member of thyssenkrupp Industrial Solutions AG Since 2019
- Supervisory Board Member of thyssenkrupp Materials Services GmbH Since 2020
- Member of the Board of Directors of thyssenkrupp (China) Ltd. Since 2020
- Member of the Board of Managers of thyssenkrupp North America, LLC Since 2020

Past seats:

- Supervisory Board Member of thyssenkrupp nucera AG & Co. KGaA 2023-2025

Frank Lenski

Current seats:

- None

Past seats:

- None

Volker Troche

Current seats:

- Member of the Executive Board of Alfred Krupp von Bohlen und Halbach Foundation Since 2011
- Member of the Executive Board of the Kulturstiftung Ruhr, Essen Since 2011
- Member of the Board of the Rut- und Klaus-Bahlsen Foundation, Hannover Since 2005

- Member of the Supervisory Board of the Margarethe Krupp Foundation for Housing Welfare, Essen Since 2013
- Member of the Board of Trustees of the Krupp Jubilee Foundation, Essen Since 2009

Past seats:

- None

Admiral ret. Joachim Rühle

Current seats:

- None

Past seats:

- None

Harald von Heynitz

Current seats:

- Board Member of Fluence Energy Inc. Since 2021
- Supervisory Board Member of Cherry SE Since 2024

Past seats:

- Member of the Management Board of WTS Advisory GmbH 2020-2025
- Member of the Management Board of Siemens Gamesa Renewable Energy S.A. 2020-2023

Andreas Görgen

Current seats:

- None

Past seats:

- None

All members of the Supervisory Board may be reached at the Company's offices at Wertstrasse 112-114, 24143 Kiel, Germany (telephone +49 431 700 0).

The following description provides summaries of the curricula vitae of the current members of the Supervisory Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group:

Dr. Volkmar Dinstuhl

Volkmar Dinstuhl began his career at thyssenkrupp Group in 2003, working in different roles at thyssenkrupp AG and thyssenkrupp Elevator. From 2020 to 2023, Volkmar Dinstuhl served as CEO of the Multi-Tracks segment of thyssenkrupp AG. Since 2024, he has been a member of the executive board of thyssenkrupp AG as well as CEO of the Automotive Technology segment of thyssenkrupp AG. Volkmar Dinstuhl has a Ph. D. in economic science from Ruhr-Universität Bochum.

Miguel Ángel López Borrego

Miguel Ángel López Borrego began his career in 1987 at VDO, which was acquired by Siemens in 2001, and then worked in various CFO roles at VDO and Siemens in Germany and Spain, including CFO of the Industry Sector, the

Siemens Digital Factory Division and Siemens Gamesa Renewable Energy S.A. From 2018 to 2023, he served as CEO in different companies, first at Siemens S.A., Spain, then at Norma Group SE, Germany. Since 2023, Miguel Ángel López Borrego has been appointed CEO of thyssenkrupp AG. He studied business administration at Berufsakademie Mannheim and he has an MBA from the universities of Toronto (Canada), Erfstadt (Germany), Linz (Austria) and Shanghai (China).

Dr. Axel Hamann

Axel Hamann began his career at Hengeler Mueller, an international law firm, in 2003. From 2005 to 2025 he worked in various roles and functions at Bayer AG. There, Axel Hamann's latest role was Head of Internal Audit & Risk Management as well as Head of Global M&A. Since May 2025, he has been appointed CFO of thyssenkrupp AG. Axel Hamann has a Ph. D. in law and an Executive MBA (Finance, General Management) from Kellogg School of Management, USA.

Jennifer Cooper

Jennifer Cooper began her career at Mannesmann AG / Atecs Mannesmann AG in 1995. Since 2001, she has been working at thyssenkrupp AG in various positions in the mergers and acquisitions department, currently as Senior Project Manager. Jennifer Cooper studied economics at Ruhr-Universität Bochum.

Dr. Sebastian Lochen

Sebastian Lochen began his career as an attorney at Hengeler Mueller, an international law firm, in 2007 until joining thyssenkrupp AG in 2011. From 2011 to 2020, he has been working in various roles in the legal and compliance department. Since 2020, Sebastian Lochen has been Head of Legal & Compliance at thyssenkrupp AG. He has a Ph. D. in law from Philipps-Universität Marburg.

Frank Lenski

Frank Lenski began his career at the German Armed Forces (*Bundeswehr*) in 1981. He worked in various roles until his retirement in 2025, among them Chief of Staff at the German Navy Headquarters in Rostock from 2020-2022 and as Commander of the German Fleet and Supporting Forces and Vice Chief of the German Navy from 2022-2025. He studied aerospace engineering at the Bundeswehr University Munich.

Volker Troche

Volker Troche began his career at the Alfried Krupp von Bohlen und Halbach Foundation in 1999 as personal assistant to Prof. Dr. h.c. mult. Berthold Beitz, Chairman of the Board of Trustees. Since 2007 he has been acting as the Foundation's legal advisor and in 2011 was appointed Member of the Executive Board until in 2022 becoming Speaker of the Executive Board of the Alfried Krupp von Bohlen und Halbach Foundation. He studied law and European legal practices at the Universities of Hannover (Germany), Leuven (Belgium), Thessaloniki and Athens (Greece) as well as fine arts at the University of Art Braunschweig (Germany).

Admiral ret. Joachim Rühle

Joachim Rühle began his career at the German Navy in 1978 and then completed several officer trainings. From 1997 to 2012, he worked in various leading staff officer appointments in higher command authorities, including NATO. From 2012 to 2020, he held various positions at the German Federal Ministry of Defense. At last, Joachim Rühle assumed the role of Chief of Staff of the Supreme Headquarters Allied Powers Europe, Belgium. He studied Mechanical Engineering at the University of the German Armed Forces in Hamburg and graduated from the US Naval War College, USA.

Harald von Heynitz

Harald von Heynitz began his career at KPMG in 1987, working there in various roles and locations until becoming member of the board at Siemens Gamesa Renewable Energy S.A, Spain, in 2020. From 2020 to June 2025, he served also as member of the management board and Partner of Counsel at WTS Advisory GmbH. Since 2021, Harald von Heynitz is a member of the board at Fluence Energy Inc., USA, and since 2024 he has been a member of the supervisory board at Cherry SE, an international manufacturer of computer input devices. Harald von Heynitz studied business administration at University of Munich and is a German certified tax consultant and public accountant.

Andreas Görgen

Andreas Görgen began his career in public service, holding various positions within the Office of the Federal Government Commissioner for Culture and the Media (*Die Beauftragte der Bundesregierung für Kultur und Medien*), the European Affairs Department of the Federal Chancellery (*Bundeskanzleramt*), and the Federal Foreign Office (*Auswärtiges Amt*). From 2009 to 2014, he led the energy sector at Siemens France and in Southwest Europe, before returning to public service. Most recently, he served as Secretary General (*Leitender Beamter*) of the Federal Government Commissioner for Culture and the Media, and Advisor to the Federal Chancellor on Cultural and Media Affairs. Görgen was transferred to retirement as of August 2025. He holds a Doctorate in Law from the University of Tübingen and is a graduate of the *École Nationale d'Administration (ENA)* in France.

16.3.3 Supervisory Board committees

Pursuant to Section 10 (1) of the Rules of Procedure of the Company's Supervisory Board, the Supervisory Board shall form committees from among its members with relevant specialist expertise which, to the extent permitted by law, shall fulfil the duties assigned to them in the name and on behalf of the entire Supervisory Board. The composition, powers and procedures of the committees will be established by the Supervisory Board. Where permitted under law, decision-making powers of the Supervisory Board may be conferred upon such committees. The Supervisory Board will form an audit committee (*Prüfungsausschuss*) (the "**Audit Committee**"), a nomination committee (*Nominierungsausschuss*) (the "**Nomination Committee**") and a related-party transactions committee (the "**Related-Party Transactions Committee**").

Pursuant to Section 11 (1) of the Rules of Procedure of the Company's Supervisory Board, the Audit Committee shall be composed of four Supervisory Board members. Section 107 para. 4 AktG requires the Company to have at least one member of the audit committee with expertise in the fields of accounting and one additional member with expertise in the fields of auditing within the meaning of Section 100 para. 5 AktG. Pursuant to Section 11 (2) of the Rules of Procedure of the Company's Supervisory Board, the chairman of the Audit Committee shall be independent of the Company, the Management Board and the controlling shareholder, possess the skills set out in the German Corporate Governance Code and not be the Supervisory Board chairman at the same time. The purpose of the Audit Committee is to assist the Supervisory Board in fulfilling its responsibilities to oversee the accounting and financial reporting processes. These responsibilities include, among other things, (i) the monitoring of the financial reporting process and of the audit of the financial statements; preliminary review of the annual financial statements, the consolidated statements, and the management report of the Company and of the group, the preliminary review of the proposal for the appropriation of profits; discussion of the audit report with the statutory auditor and the preparation of the resolution of the Supervisory Board concerning the approval of the annual financial statements and the consolidated statements; (ii) the review of the quarterly financial statements and half-yearly financial reports (interim reports); (iii) preparation of the proposal of the Supervisory Board to the general meeting concerning the election of the statutory auditor, in particular review of its independence and discussion of the additional services rendered by such statutory auditor; (iv) after consultation with the General Partner, issuing the mandate for the audit to the statutory auditor (with an agreement on the fees) for the annual financial statements and consolidated statements based on the resolution adopted by the general meeting, including the determination of the key audit areas and the

agreement on the auditor's reporting duties towards the Supervisory Board; and (v) monitoring of the effectiveness of the internal control system, the risk management system and the internal audit system as well as of the compliance.

Pursuant to Section 12 (1) of the Rules of Procedure of the Company's Supervisory Board, the Nomination Committee shall be composed of up to four Supervisory Board members. The Nomination Committee is responsible for suggesting suitable candidates to the Supervisory Board for its election proposals for the general meeting for election to the Supervisory Board.

Section 107 para. 3 sentences 4 to 6 AktG permits, under certain conditions, that the decision on the approval of the Supervisory Board regarding related-party transactions pursuant to Section 111b para. 1 AktG may be delegated to a deciding committee, the Related-Party Transactions Committee. Pursuant to Section 13 (2) of the Rules of Procedure for the Supervisory Board, the Related-Party Transactions Committee will consist of four Supervisory Board members. Related persons within the meaning of Section 111a para. 1 sentence 2 AktG involved in the transaction may not be members of the committee. The committee must be composed of a majority of members who are not concerned about a conflict of interest due to their relationship with a related party. If, in exceptional cases, the Related Party Transactions Committee should not be composed in accordance with the statutory provisions pursuant to Section 107 (3) sentences 5 and 6 AktG and Section 13 (2) of the Rules of Procedure of the Company's Supervisory Board in order to decide on the approval of a transaction with related persons, the Supervisory Board shall establish a committee which is composed in accordance with the statutory provisions and which shall decide exclusively on the approval of this transaction with related persons. The Related Party Transactions Committee shall regularly assess whether transactions are conducted in the ordinary course of business and at arm's length with related parties within the meaning of Section 111a (2) sentence 1 AktG and thus, do not qualify as related party transactions within the meaning of Sections 107 and 111a to 111c AktG.

16.3.4 Remuneration and other benefits of the members of the Supervisory Board

Section 15 of the Articles of Association governs the remuneration of the members of the Supervisory Board.

Each member of the Supervisory Board receives an annual base compensation of €60,000. The chairperson shall receive €150,000; the deputy chairperson €90,000. In addition, the members and chairpersons of Supervisory Board committees will receive increases in this remuneration. The increases vary dependent on the committee and amount to 20-30% (members) respectively 40-60% (chairpersons). Supervisory Board members who have not been members of the Supervisory Board for a full fiscal year shall receive the remuneration pro rata temporis according to the duration of their membership of the Supervisory Board. Furthermore, the members of the Supervisory Board shall receive reimbursement of all expenses, as well as reimbursement of any value added tax payable on their remuneration and expenses. In addition, in the interest of the Company and to an appropriate amount, the members of the Supervisory Board are included in a directors' and officers' liability insurance policy. The premiums for this are paid by the Company.

If a member of the Supervisory Board is at the same time a member of the General Partner's Supervisory Board and receives remuneration for his service on the General Partner's Supervisory Board, Section 15 (7) of the Articles of Association contains special provisions concerning the reduction of the remuneration of such member of the Supervisory Board.

16.3.5 Shareholdings of the Members of the Supervisory Board

As of the date of this Prospectus, no member of the Supervisory Board directly or indirectly holds Shares or options on Shares. Several members of the Supervisory Board hold thyssenkrupp AG shares and will therefore receive Shares proportionate to their respective holdings in thyssenkrupp AG following the implementation of the Spin-off.

16.4 Certain Information Regarding the Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board, no member of the Supervisory Board and no member of the General Partner's Supervisory Board has been convicted of fraudulent offenses.

In the last five years, no member of the Management Board, no member of the Supervisory Board and no member of the General Partner's Supervisory Board has been associated with any bankruptcy, receivership, liquidation or companies put into administration, acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager.

Additionally, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board, the members of the Supervisory Board or the members of the General Partner's Supervisory Board, nor have sanctions been imposed by the aforementioned authorities in the last five years.

No court has ever disqualified a member of the Management Board, a member of the Supervisory Board or a member of the General Partner's Supervisory Board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Beyond the service agreements of the members of the Management Board, there are no further agreements of the members of the Management Board or the members of the Supervisory Board or the members of the General Partner's Supervisory Board with a Group company that provide for benefits upon termination of employment or office.

There are no family relationships between the members of the Management Board, the members of the Supervisory Board and the members of the General Partner's Supervisory Board, either among themselves or in relation to the members of the other body.

There are no conflicts of interest or potential conflicts of interest between the members of the Management Board, the members of the Supervisory Board and the members of the General Partner's Supervisory Board as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

16.5 General Meeting

The general meeting is the resolution body of the KGaA shareholders. Shareholders can exercise their voting rights at the general meeting themselves, by proxy via a representative of their choice, or by a Company-nominated proxy acting on their instructions. The general meetings can be held as a physical meeting, a virtual meeting or a combination of both. In particular, Section 21 of the Articles of Association implements the option stipulated in Section 118a of the German Stock Corporation Act of holding general meetings as virtual meetings in the future. Among other matters, the annual general meeting of a KGaA approves its annual financial statements. The internal procedure of the general meeting of a KGaA corresponds to that of the general meeting of an AG. The agenda for the general meeting, including proposals for resolutions, is fixed by the General Partner except that the General Partner cannot propose nominees for election as members of the KGaA's Supervisory Board or proposals for the Company auditors and except for cases where the Supervisory Board requests to convene a general meeting for the Company's best interests.

KGaA shareholders exercise influence in the general meeting through their voting rights but, in contrast to an AG, the General Partner of a KGaA has a de facto veto right with regard to material resolutions (see the following paragraph). As in an AG, the members of the Supervisory Board of a KGaA are elected by the general meeting.

Certain matters requiring a resolution at the general meeting will also require the consent of the General Partner, such as amendments to the Articles of Association, dissolution of the Company, mergers, a change in the legal form of the Company, enterprise agreements (*Unternehmensverträge*, such as domination agreements (*Beherrschungsverträge*) or profit and loss transfer agreements (*Gewinn- und Verlustabführungsverträge*)) and other fundamental changes, as well as the approval of the annual financial statements of the Company. The General Partner, therefore, has a de facto veto right on these matters.

16.6 Corporate Governance

The German Corporate Governance Code (the “**Code**”) makes proposals concerning the management and supervision of German listed companies. It is based on internationally and nationally recognized standards of good, responsible governance. The Code contains principles (*Grundsätze*), recommendations (“*shall provisions*”) and suggestions (“*should provisions*”) for corporate governance in relation to shareholders and the general meeting, the management and the supervisory board, transparency and accounting and auditing of financial statements. The Code aims to promote confidence in the management and supervision of German listed companies by investors, customers, employees and the general public. It is based on the governance of a stock corporation subject to German law with a management board and a Supervisory Board, but applies accordingly — and possibly with modifications due to the differences in the governance structure — to KGaA.

Compliance with the Code’s recommendations or suggestions is not obligatory. German stock corporation law only requires the management board and the supervisory board of a German listed company to provide an annual statement regarding whether or not the recommendations in the Code were complied with. Alternatively, the management board and the supervisory board of a German listed company must explain which recommendations have not been complied with and are not being applied, as well as the reasons underlying this non-compliance. The declaration of compliance (*Entsprechungserklärung*) must be publicly available on the Company’s website at all times.

Prior to the Admission to Trading, the Company is not subject to the obligation to render a declaration of compliance (*Entsprechungserklärung*) with the Code. As of the date of this Prospectus, the Company complies and, following the Admission to Trading, intends to comply with the recommendations of the Code, subject to the differences between the KGaA governance and the governance of an AG.

17 Listing Agreement

17.1 General

On October 13, 2025, the Company, thyssenkrupp AG and the Banks entered into a listing agreement (the “**Listing Agreement**”), pursuant to which Citigroup, COMMERZBANK and Deutsche Bank act as financial advisors and Listing Agents in connection with the Admission to Trading and Macquarie Capital, BBVA, Crédit Agricole CIB and Société Générale will act as additional financial advisors.

In the Listing Agreement, the Company and thyssenkrupp AG committed themselves to certain lock-up undertakings (see for details “*3.7.6 Lock-Up, Limitations on Disposal*”).

The Listing Agreement provides for certain customary representations and warranties by the Company and thyssenkrupp AG and subjects the Listing Agents’ obligation under the Listing Agreement to pursue and uphold the application for the Admission to Trading to the satisfaction of certain customary conditions, including, for example, the receipt of customary confirmations and legal opinions satisfactory to the requirements of the Listing Agents.

The Banks have provided, and may in the future provide, services to the Group in the ordinary course of business and may extend credit to, and have regular business dealings with, the Group in their respective capacities as financial institutions. For a description of the interests of the Banks in the Admission to Trading, see “*3.7.8 Interests of Parties Participating in the Admission to Trading*”.

17.2 Fee

The Banks will receive a customary fee from thyssenkrupp AG in connection with the completion of the Admission to Trading.

17.3 Indemnification

In the Listing Agreement, the Company and thyssenkrupp AG each agreed to indemnify and hold harmless each Bank from and against certain liabilities and obligations that may arise in connection with the Admission to Trading.

18 Taxation in the Federal Republic of Germany

Income received from, or in respect of, the shares in the Company might be subject to taxation. In particular, the tax laws of any jurisdiction with authority to impose taxes on the investor and the tax laws of the Company's state of incorporation, statutory seat and place of effective management, i.e. Germany, might have an impact on the income received from, or in respect of, the shares in the Company.

The following section presents a number of key German taxation principles which generally are, or can be, relevant to the acquisition, holding, or transfer of shares in the Company by a shareholder (an individual, a partnership or corporation) that has a tax domicile in Germany (that is, whose place of residence, habitual abode, registered office or place of management is in Germany). However, it does not address the tax consequences for the shareholders of thyssenkrupp AG that arise in connection with the Spin-off. The information provided is not exhaustive and does not constitute a comprehensive explanation of all possible aspects of taxation that could be relevant for investors. In particular, this summary does not provide a comprehensive overview of tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. The information is based on the tax laws in force in Germany as at the date of this Prospectus (and their interpretation by administrative directives, circular letters, and the courts), as well as typical provisions of double taxation treaties that Germany has concluded with other countries. Tax laws can change, sometimes retroactively. Moreover, it cannot be ruled out that the German tax authorities or courts may consider an interpretation or application of the tax laws which differs from the one described in this section to be correct.

This section cannot serve as substitute for tailored tax advice to potential investors. Potential investors are advised to consult their tax advisors regarding their individual tax implications of the acquisition, holding or transfer of shares in the Company and regarding the procedures for a reimbursement of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in a position to take the specific tax-relevant circumstances of individual investors duly into account.

18.1 Taxation of the Company

The Company is established in the legal form of an AG & Co. KGaA (*Kommanditgesellschaft auf Aktien* – a partnership limited by shares) and qualifies as a corporation subject to tax with its world-wide income (*unbeschränkte Steuerpflicht*) under the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, “**KStG**”). As a rule, the taxable profits generated by corporations with their seat or place of management in Germany are subject to corporate income tax (*Körperschaftsteuer*). The General Partner, established in the legal form of an *Aktiengesellschaft* (German stock corporation), is also subject to tax with its world-wide income (*unbeschränkte Steuerpflicht*) under the KStG. The General Partner does not hold a participation in the Company's share capital, but is entitled to a remuneration, *inter alia*, for management services provided to the Company.

The remuneration received by the General Partner for management services provided to the Company is deductible in calculating the Company's taxable income. The net profit generated by the Company is generally subject to corporate income tax at a nominal rate of 15% for both distributed and retained earnings, plus a solidarity surcharge (*Solidaritätszuschlag*) amounting to 5.5% on the corporate income tax liability (i.e., 15.825% in total) until and including fiscal year 2027. As of fiscal year 2028, the statutory corporate income tax rate will decrease by one percentage point each year until it reaches 10% in fiscal year 2032; as the solidarity surcharge (*Solidaritätszuschlag*) will continue to be levied, the combined statutory tax rate of the Company will be 14.77%, 13.715%, 12.66%, 11.605%, and 10.55% in 2028, 2029, 2030, 2031, and 2032, respectively.

In general, dividends (*Dividenden*) or other profit shares that the Company derives from domestic or foreign corporations are 100% exempt from corporate income tax (including solidarity surcharge (*Solidaritätszuschlag*)), but 5% of such receipts are treated as non-deductible business expenses and are therefore subject to corporate income tax (and solidarity surcharge (*Solidaritätszuschlag*) thereon), having the effect that dividends and other profit shares

are effectively 95% exempt from corporate income tax (and solidarity surcharge (*Solidaritatzuschlag*) thereon). However, as an exception to the above, dividends that the Company receives from domestic or foreign corporations are subject to corporate income tax (including solidarity surcharge (*Solidaritatzuschlag*) thereon), if the Company holds a participation of less than 10% in the share capital of such corporation at the beginning of the calendar year (hereinafter in all cases, a “**Portfolio Participation**”—*Streubesitzbeteiligung*). Participations of at least 10% acquired during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations in the share capital of other corporations which the Company holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmenschaften*)) are attributable to the Company on a *pro rata* basis at the ratio of the interest share of the Company in the equity of the relevant partnership.

The Company’s gains from the disposal of shares in a domestic or foreign corporation are in general 100% exempt from corporate income tax (including the solidarity surcharge (*Solidaritatzuschlag*) thereon), regardless of the size of the participation and the holding period. However, 5% of the gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge (*Solidaritatzuschlag*) thereon) at a combined rate of 15.825%, having the effect that gains from the disposal of shares are effectively 95% exempt from corporate income tax (and solidarity surcharge (*Solidaritatzuschlag*) thereon), irrespective of whether or not the Company holds a Portfolio Participation. Conversely, losses incurred from the disposal of such shares are generally not deductible for corporate income tax purposes.

Additionally, the Company is subject to trade tax (*Gewerbesteuer*) with respect to its taxable trade profit (*Gewerbeertrag*) attributable to its permanent establishments in Germany (*inlandische Betriebsstatte*). The average trade tax rate in Germany amounts to approximately 15% (with a statutory minimum rate of effectively 7%) of the taxable trade profit depending on the municipal trade tax multiplier (*Hebesatz*) applied by the relevant municipal authority in which the taxpayer maintains its operations or permanent establishments. When determining the corporate income tax base of the Company, trade tax may not be deducted as a business expense. For trade tax purposes, however, the remuneration paid to the General Partner by the Company, which is deducted from the corporate income tax base, is added back to the tax base of the Company.

In principle, profits or losses derived from the sale of shares in another domestic and foreign corporation are treated in the same way for trade tax purposes as for corporate income tax purposes (as described above). Contrary to this, profit shares derived from domestic or foreign corporations are only effectively 95% exempt from trade tax, if, at the beginning of the relevant assessment period for German trade tax purposes, the Company held an interest of at least 15% in the share capital of the company making the distribution. If and to the extent the Company and its German subsidiaries form a tax group for corporate income and trade tax purposes (*ertragsteuerliche Organschaft*), the profits and losses are generally effectively consolidated and subject to German corporate income and trade tax at the level of the Company.

The provision of the so-called interest barrier rule (*Zinsschranke*) limits the degree to which expenses for debt financing are deductible from the corporate income and trade tax base. Accordingly, as a general rule, interest (and other debt financing) expenses exceeding interest income are not deductible to the extent such net expenses exceed 30% of the EBITDA as determined for tax purposes in a given fiscal year, if the Company’s net interest expense is, or exceeds, €3 million (*Freigrenze*) and no other exceptions apply. Non-deductible interest expenses must be carried forward to subsequent fiscal years. EBITDA that has not been fully utilized can, under certain circumstances, be carried forward to subsequent years (for up to five years) and may be deducted subject to the limitations set out above. If such EBITDA carry forward is not used within the five subsequent fiscal years, it will be forfeited. The constitutionality of the interest barrier rule is currently under review by the German Federal Constitutional Court (*Bundesverfassungsgericht*, “**BVerfG**”), see proceedings of the BVerfG with case reference number 2 BvL 1/16. Additionally, for trade tax purposes, 25% of the interest expenses deductible after applying the interest barrier rule are generally added back when calculating the taxable trade profit. Therefore, for trade tax purposes, the amount of

deductible interest expenses is generally only 75% of the interest expenses deductible for purposes of corporate income tax.

Under certain conditions, negative net income of the Company that has not been offset by current year positive income can be carried forward or back into other assessment periods. Loss carry backs to the two preceding assessment periods occur up to € 1 million for corporate income tax but not at all for trade tax purposes. Loss carry forwards can be used to fully offset taxable income for corporate income tax and trade tax purposes of up to an amount of € 1 million p.a. If the taxable income exceeds this amount only up to 70% (as of 2028: 60%) of the annual excess amount may be offset against tax loss carry forwards; the remaining 30% (as of 2028: 40%) of the taxable income is subject to tax in any case (minimum taxation—*Mindestbesteuerung*). For trade tax purposes, 60% of the amount in excess of € 1 million p.a. can be offset against tax loss carry forwards and 40% of the excess amount is subject to tax in any case. Unused tax loss carry forwards can, as a general rule, be carried forward indefinitely and deducted from future taxable income in accordance with this rule. However, if more than 50% of the Company's share capital or voting rights is/are transferred to a purchaser or group of purchasers within five years, directly or indirectly, or if a similar situation arises (change of control—*schädlicher Beteiligungserwerb*), the Company's unutilized losses and interest carry forwards (possibly also EBITDA carry forwards) will generally be forfeited in full and, subject to certain exceptions, may not be offset against future profits. The Company's unutilized losses and interest carry forwards are not forfeited, if and to the extent the Company's unutilized losses and interest carry forwards are covered by certain built-in gains (*stille Reserven*) that are subject to domestic taxation. In addition, the Company's unutilized losses may, upon application and under certain conditions, not be forfeited based on the continuity of business exemption (*fortführungsgebundener Verlustvortrag*). The constitutionality of the change of control rule stipulating a full forfeiture of unused losses, loss carry forwards and interest carry forwards is currently pending with the BVerfG, see proceedings of the BVerfG with case reference number 2 BvL 19/17.

For fiscal years beginning from 31 December 2023, the Company is also subject to the German transposition of the global effective minimum tax (*Mindeststeuergesetz*, “**MinStG**”) as developed by the OECD/G20 Inclusive Framework (“**Pillar Two**”) and implemented in the European Union under directive (EU) 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union. Pillar Two shall ensure that large multinational groups are subject to an effective tax rate of at least 15% on their excess profits (i.e. adjusted net profits after deducting the substance-based income exclusion) calculated on a jurisdictional basis. For Pillar Two purposes, the perimeter of the relevant group is determined by using financial accounting consolidation principles, and as such, the Company is considered to be a constituent entity of the Pillar Two-group headed by thyssenkrupp AG. Hence, the Company's and its subsidiaries' tax attributes will be aggregated with the respective tax attributes of other members of the Pillar Two-group headed by thyssenkrupp AG under the jurisdictional blending concept and any top-up tax thus be calculated on that basis. The top-up tax increases the effective tax rate of the Pillar Two-group for each jurisdiction up to 15% and may thus differ every year, if due at all. While the Company is not the ultimate parent entity of the Pillar Two-group, any top-up tax calculated and attributed to itself and its subsidiaries may be due (i) at the level of the respective local entity as qualified domestic top-up tax or (ii) at the level of the Company under the partially-owned parent entity rules of the MinStG and be collected under the income inclusion rule. For fiscal years beginning from 31 December 2024, the Company and its subsidiaries might also become liable to additional top-up tax allocations under the undertaxed profits rule.

18.2 Taxation of Shareholders

18.2.1 Income Tax Implications of the Holding, Sale and Transfer of Shares

In terms of the taxation of shareholders of the Company, a distinction must be made between taxation in connection with the holding of shares (see “18.2.2 Taxation of Dividends”), taxation in connection with the sale of shares (see “18.2.3 Taxation of Capital Gains”), and taxation in connection with the gratuitous transfer of shares (see “18.2.5 Inheritance and Gift Tax”).

18.2.2 Taxation of Dividends

18.2.2.1 Withholding Tax

As a general rule, the dividends distributed to the shareholder are subject to a withholding tax (*Kapitalertragsteuer*) of 25% plus a solidarity surcharge (*Solidaritätszuschlag*—regarding amendments to the levy of solidarity surcharge as of 2021, see “18.2.8 Partial Abolition of the Solidarity Surcharge (*Solidaritätszuschlag*) as of 2021”) of 5.5% thereon (i.e. 26.375% in total plus church tax (*Kirchensteuer*), if applicable). This, however, will not apply if and to the extent that dividend payments are funded from the Company’s contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 of the KStG); in this case, no withholding tax would be withheld. However, these payments would reduce the acquisition costs of the shares and may, consequently, increase a taxable gain upon the disposal of the shares. The assessment basis for the withholding tax is the gross dividend distributed without any deductions.

As the shares of the Company are admitted for collective custody (*Sammelverwahrung*) by a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 of the German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such bank for collective custody (*Sammelverwahrung*) in Germany, the withholding tax is levied for the account of the shareholders (i) by the domestic credit or financial services institution (*inländisches Kredit- oder Finanzdienstleistungsinstitut*) (including domestic branches of such foreign enterprises) or by the domestic securities institution (*Wertpapierinstitut*) which keeps or administers the shares and disburses or credits the dividends to the shareholder, or disburses the dividends to a foreign agent (*ausländische Stelle*), (ii) by the central securities depository (*Wertpapiersammelbank*) to which the shares were entrusted for collective custody if the dividends are disbursed to a foreign agent by such securities custodian bank (*Wertpapiersammelbank*), or (iii) by the Company itself if and to the extent shares held in collective custody (*Sammelverwahrung*) by the central securities depository (*Wertpapiersammelbank*) are, however, treated as so-called “*abgesetzte Bestände*” (stock being held separately) (hereinafter in all cases, the “**Dividend Paying Agent**”).

The Company does not assume any responsibility for the withholding of taxes by Dividend Paying Agents, in accordance with the statutory provisions, other than in cases of (iii) above.

In general, the withholding tax must be withheld without regard to whether and to which extent the dividend is exempt from tax at the level of the shareholder and whether the shareholder is domiciled in Germany or abroad.

However, withholding tax on dividends distributed to a parent company domiciled in another EU member state within the meaning of Article 2 of the Council Directive 2011/96/EU of November 30, 2011, as amended (the “**Parent Subsidiary Directive**”), may be refunded upon application and subject to further conditions (such as the German anti-treaty shopping rules, which are described below). This also applies to dividends distributed to a permanent establishment of such a parent company in another EU member state or to a permanent establishment in another EU member state of a parent company that is subject to unlimited tax liability in Germany, provided that the participation in the Company is actually part of such permanent establishment’s business assets. The refund of withholding tax under the Parent Subsidiary Directive further requires that the shareholder has directly held at least 10% of the company’s registered share capital for 12 months and that a respective application is filed with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*, “**BZSt**”, Hauptdienstszitz Bonn-Beuel, An der Kuppe 1, 53225 Bonn, Germany).

If, in case of a qualifying shareholding within the purview of the Parent Subsidiary Directive, shares held in collective custody (*Sammelverwahrung*) by the central securities depository (*Wertpapiersammelbank*) are treated as so-called “*abgesetzte Bestände*” (stock being held separately), the main paying agent (*Hauptzahlstelle*) of the Company—upon presentation of an exemption certificate (*Freistellungsbescheinigung*) and a proof that this stock has been held separately—may be entitled in accordance with the view of the German tax authorities to disburse the dividend without deducting withholding tax. An exemption certificate may be granted upon application (using official application forms) with the BZSt at the address specified above, subject to the German anti-treaty shopping rules.

With respect to distributions made to shareholders without a tax domicile in Germany, the withholding tax rate can be reduced in accordance with the double taxation treaty if Germany has entered into a double taxation treaty with the respective shareholder's country of residence and if the shares neither form part of the assets of a permanent establishment or a fixed place of business in Germany, nor form part of business assets for which a permanent representative in Germany has been appointed. The withholding tax reduction is generally granted by the BZSt (at the address specified above) upon application in such a manner that the difference between the total amount withheld, including the solidarity surcharge (*Solidaritätszuschlag*), and the reduced withholding tax actually owed under the relevant double taxation treaty (generally 15%) is refunded by the BZSt, subject to the German anti-treaty shopping rules.

Forms for the reimbursement and exemption from the withholding at source procedure (the latter only being available to shareholders, which qualify as corporations) are available at the BZSt at the address specified above or online at <http://www.bzst.de>.

If dividends are distributed to corporations subject to non-resident taxation in Germany, i.e. corporations with no registered seat (*Sitz*) or place of management (*Geschäftsleitung*) in Germany and if the shares neither belong to the assets of a permanent establishment or fixed place of business in Germany, nor are part of business assets for which a permanent representative in Germany has been appointed, two-fifths of the tax withheld at source can generally be refunded even if not all of the prerequisites for a refund under the Parent Subsidiary Directive or the relevant double taxation treaty are fulfilled, subject to the German anti-treaty shopping rules. The relevant application forms are available at the BZSt at the address specified above.

The aforementioned possibilities for an exemption from, or a refund of, withholding tax depend on certain other conditions being met (particularly the fulfilment of so-called activity and substance requirements—*Aktivitäts- und Substanzerfordernisse*). Further requirements to the entitlement to claim withholding tax exemption or refund could arise, if enacted, from the European Commission's proposal for a Council Directive on the misuse of shell entities for improper tax purposes dated December 22, 2021, referred to as Anti-Tax Avoidance Directive 3 (“**ATAD 3**”). This draft Council Directive is, however, still subject to discussion and may even be withdrawn or significantly altered.

In addition, with respect to shares held as private or as business assets by shareholders that are subject to income taxation, the aforementioned relief in accordance with an applicable double taxation treaty may further depend on whether the prerequisites of the special rules on the restriction of withholding tax credit are fulfilled.

The aforementioned credit of withholding tax described for shares held as private and as business assets (see “18.2.2.2 Taxation of Dividends of Shareholders with a Tax Domicile in Germany” and “18.2.2.3 Taxation of Dividends of Shareholders without a Tax Domicile in Germany”) is subject to the following three cumulative prerequisites in accordance with Section 36a of the German Income Tax Act (*Einkommensteuergesetz*, “**EStG**”): (i) the shareholder has been the beneficial owner of the shares for a continuous period of at least 45 days during the period starting 45 days prior to the date when the dividend becomes due and ending 45 days after such date (the “**Minimum Holding Period**”—*Mindesthaltedauer*); (ii) the shareholder has been exposed (if taking into account counterclaims and claims against related parties) to at least 70% of the risk resulting from a decrease in value of the shares during the Minimum Holding Period (the minimum change in value risk; *Mindestwertänderungsrisiko*); and (iii) the shareholder is not obligated to forward (*vergüten*) these dividends, directly or indirectly, in total or predominantly to another person (the tests under (i) to (iii) above are together described as the “**Minimum Risk Test**”). In case the shareholder does not meet the Minimum Risk Test, three fifths of the withholding tax levied on the dividends is not creditable, but may, upon application, be deducted when determining the shareholder's taxable income. Shareholders who do not meet the Minimum Risk Test but who have, nevertheless, not suffered a withholding tax deduction on the dividends (e.g., due to the presentation of a non-assessment certificate), or have already obtained a refund of the taxes withheld, are obligated to notify their competent tax office thereof, to declare withholding tax in the amount of 15% of the relevant dividends in accordance with the statutory formal requirements

and to make the payment of an amount corresponding to the amount which would otherwise be withheld. As an exception to this rule, the Minimum Risk Test (and, if applicable, a corresponding notification and (re)payment obligation) does not apply to an investor if either (a) the investor's amount of dividend income on shares (including shares from the Company) and certain profit participation rights (*Genussrechte*) does not exceed an amount of € 20,000 in a given tax assessment period, or if (b) the investor has been, upon actual receipt of the dividend, the economic owner of the shares for a continuous period of at least one year. Further to the statutory amendments, the German Federal Ministry of Finance (*Bundesministerium der Finanzen*, "BMF") published a decree dated April 3, 2017 (BMF, circular letter dated April 3, 2017, IV C 1 – S 2299/16/10002, DOK 2017/0298180, BStBl. I 2017, p. 726, as amended by BMF, circular letter dated February 20, 2018, IV C 1 – S 2299/16/10002, DOK 2018/0121297, BStBl. I 2018, p. 308) outlining the treatment of transactions where the statutory Minimum Risk Test might not be applicable but in which a withholding tax credit will nevertheless be denied as an anti-abuse measure.

In the event that a non-tax resident shareholder does not meet the requirements of the Minimum Risk Test, a refund of the withholding tax pursuant to a double taxation treaty is not available pursuant to Section 50j of the EStG. This restriction only applies if (i) the applicable double taxation treaty provides for a tax reduction leading to an applicable tax rate of less than 15%, (ii) the shareholder is not a corporation that directly holds at least a participation of 10% of the equity capital of the Company and is subject to tax on its income and profits in its state of residence without being exempt and (iii) the shareholder has not been, upon actual receipt of the dividend, the beneficial owner of the shares for a continuous period of at least one year.

Prospective holders of shares in the Company are advised to seek their own professional advice in relation to the possibility to obtain a tax credit for, or refund of, withholding tax on dividends.

The Dividend Paying Agent which keeps or administrates the shares and pays or credits the capital income is required to create so-called baskets for loss set-off (*Verlustverrechnungstöpfe*) to allow for setting off of negative capital income with current and future positive capital income. A set-off of negative capital income at a Dividend Paying Agent with positive capital income at a different Dividend Paying Agent is not possible and can only be achieved in the course of the income tax assessment at the level of the respective investor. In this case, the taxpayer has to apply for a certificate confirming the amount of losses not offset with the Dividend Paying Agent where the baskets for loss set-off exist. The application is irrevocable and has to reach the Dividend Paying Agent by December 15 of the respective year. Otherwise, the losses will be carried forward to the following year by the Dividend Paying Agent.

Withholding tax will not be withheld by a Dividend Paying Agent if the taxpayer provides the Dividend Paying Agent with an application for exemption (*Freistellungsauftrag*) to the extent the capital income does not exceed the annual lump sum allowance (*Sparer-Pauschbetrag*) of € 1,000 (€ 2,000 for married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns) as outlined on the application for exemption. Furthermore, no withholding tax will be levied if the taxpayer provides the Dividend Paying Agent with a non-assessment certificate (*Nichtveranlagungsbescheinigung*) to be applied for with the competent tax office of the investor.

18.2.2.2 Taxation of Dividends of Shareholders with a Tax Domicile in Germany

(I) Shares Held as Non-Business Assets

Dividends distributed to shareholders with a tax domicile in Germany whose shares are held as non-business assets form part of their taxable capital investment income, which is subject to a special uniform income tax rate of 25% plus solidarity surcharge (*Solidaritätszuschlag*) of 5.5% thereon (i.e. 26.375% in total plus church tax (*Kirchensteuer*), if applicable). The income tax owed for this dividend income is in general settled by the withholding tax withheld by the Dividend Paying Agent (flat rate withholding tax—*Abgeltungsteuer*; see "18.2.2.1 Withholding Tax"). Income-related expenses cannot be deducted from the shareholder's capital investment income (including dividends), except for an annual lump sum allowance (*Sparer-Pauschbetrag*) of € 1,000 (€ 2,000 for married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns). However, shareholders may

request that their capital investment income (including dividends) along with their other taxable income be subject to the progressive income tax rate (instead of the uniform tax rate for capital investment income) if this results in a lower tax burden (*Günstigerprüfung*). This request may only be exercised consistently for all capital investment income and be exercised jointly in the case of married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns. In this case, the withholding tax would be credited against the progressive income tax and any excess amount would be refunded; in principle, such withholding tax credit or refund might be limited under the rules in connection with the Minimum Risk Test); however, the BMF published a decree dated April 3, 2017 (BMF, circular letter dated April 3, 2017, IV C 1 – S 2299/16/10002, DOK 2017/0298180, BStBl. I 2017, p. 726, as amended by BMF, circular letter dated February 20, 2018, IV C 1 – S 2299/16/10002, DOK 2018/0121297, BStBl. I 2018, p. 308) according to which this provision should only exceptionally apply to shares held as non-business (private) assets.

Exceptions from the special uniform income tax rate apply upon application for shareholders who have a shareholding of at least 25% in the Company and for shareholders who have a shareholding of at least 1% in the Company and work for the Company in a professional capacity, which enables them to exert significant entrepreneurial influence on the Company's business activities. In this situation, the tax treatment described below under “18.2.2.2(II) Shares Held as Business Assets” applies.

An automatic procedure for deducting church tax (*Kirchensteuer*) applies unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the BZSt (at the address specified above). The church tax (*Kirchensteuer*) payable on the dividend is withheld and passed on by the Dividend Paying Agent. In this case, the church tax (*Kirchensteuer*) for dividends is satisfied by the Dividend Paying Agent withholding such tax. Church tax (*Kirchensteuer*) withheld at source may not be deducted as a special expense (*Sonderausgabe*) in the course of the tax assessment, but the Dividend Paying Agent may reduce the withholding tax (including the solidarity surcharge (*Solidaritätszuschlag*)) by 26.375% of the church tax (*Kirchensteuer*) to be withheld on the dividends. If the shareholder has filed a blocking notice (*Sperrvermerk*) and no church tax (*Kirchensteuer*) is withheld by a Dividend Paying Agent, shareholders subject to church tax (*Kirchensteuer*) are obligated to declare the dividends in their income tax return. The church tax (*Kirchensteuer*) on the dividends is then levied by way of a tax assessment.

As an exemption, distributions that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*; Section 27 of the KStG) and are paid to shareholders with a tax domicile in Germany whose shares are held as non-business (private) assets, do not—contrary to the above—form part of the shareholder's taxable income. Dividend payments funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) would reduce the shareholder's acquisition costs and, if the distribution funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise. Both can result in a higher capital gain in case of the shares' disposal (see “18.2.3 Taxation of Capital Gains” below). This would not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of their legal predecessors at any point during the five years preceding the (deemed, as the case may be) disposal directly or indirectly held at least 1% of the share capital of the Company (a “**Qualified Holding**”), and (ii) the distribution funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such aforementioned case, a distribution funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain. In this case, the taxation corresponds with the description in “18.2.3 Taxation of Capital Gains” made with regard to shareholders maintaining a Qualified Holding.

(II) Shares Held as Business Assets

Dividends from shares held as business assets of a shareholder with a tax domicile in Germany are not subject to the special uniform income tax rate. The taxation depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). The withholding tax (including the solidarity surcharge

(*Solidaritätszuschlag*) withheld and paid by the Dividend Paying Agent will generally be credited against the shareholder's income or corporate income tax liability (including the solidarity surcharge (*Solidaritätszuschlag*)) or refunded in the amount of any excess. However, such withholding tax credit or refund might be limited if and to the extent the prerequisites in connection with the Minimum Risk Test are not met (see "18.2.2.1 Withholding Tax"). Church tax (*Kirchensteuer*), if applicable to a shareholder holding shares as business assets, is not collected by way of withholding since FY 2023.

Distributions that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) and are paid to shareholders with a tax domicile in Germany whose shares are held as business assets are generally fully tax exempt in the hands of such shareholder. To the extent the distributions funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in "18.2.3 Taxation of Capital Gains" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the participation exemption in the case of a corporation, this is not undisputed).

(i) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the dividends are in general 100% exempt from corporate income tax and the solidarity surcharge (*Solidaritätszuschlag*). However, 5% of the dividends are treated as a non-deductible business expense and are therefore subject to corporate income tax (plus the solidarity surcharge (*Solidaritätszuschlag*)) at the applicable statutory rate (see above), having the effect that dividends and other profit shares are effectively 95% exempt from corporate income tax (and solidarity surcharge (*Solidaritätszuschlag*) thereon). In other respects, business expenses actually incurred in direct relation to the dividends may be deducted. However, dividends that the shareholder receives are no longer exempt from corporate income tax (including solidarity surcharge (*Solidaritätszuschlag*) thereon), if the shareholder only held (or holds) a Portfolio Participation at the beginning of the calendar year. Participations of at least 10% acquired in accordance with the view of the German tax authorities in a single transaction during a calendar year are deemed to have been acquired at the beginning of the calendar year. Participations which a shareholder holds through a partnership (including those that are co-entrepreneurships (*Mitunternehmerschaften*)) are attributable to the shareholder only on a pro rata basis at the ratio of the interest share of the shareholder in the relevant partnership.

Dividends (after deducting business expenses economically related to the dividends) are subject to trade tax in the full amount, unless the shareholder held an interest of at least 15% in the share capital of the Company at the beginning of the relevant assessment period. In this latter case, the dividends are not subject to trade tax; however, trade tax is levied on the amount considered to be non-deductible business expenses (amounting to 5% of the dividend). The average trade tax rate in Germany amounts to approximately 15% (with a statutory minimum rate of 7%) of the taxable trade profit but the (blended) trade tax rate applying to the respective shareholder might be lower or higher depending on the municipal trade tax multiplier applied by the relevant municipal authority in which the shareholder maintains its operations or permanent establishments.

(ii) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the dividends are subject to progressive income tax (plus the solidarity surcharge (*Solidaritätszuschlag*), if applicable) at a total marginal tax rate of up to approximately 47.5% (plus church tax (*Kirchensteuer*), if applicable), the so-called partial income method (*Teileinkünfteverfahren*). Correspondingly, only 60% of the business expenses economically related to the dividends are tax deductible. If the shares belong to a domestic permanent establishment in Germany of a business activity of the shareholder, the dividend income (after deducting business expenses economically related thereto) is not only subject to income tax but is also fully subject to trade tax, unless the prerequisites of the trade tax participation exemption are fulfilled. In this latter case, the net amount of dividends, i.e. after deducting directly related expenses, is exempt from trade tax. As a general rule, trade tax can be credited against the shareholder's

personal income tax, either in full or in part, by means of a lump sum tax credit method, depending on the level of the municipal trade tax multiplier and certain individual tax-relevant circumstances of the taxpayer.

(iii) Partnerships

If the shareholder is a partnership, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation for every partner depends on whether the partner is a corporation or an individual. If the partner is a corporation, the dividends contained in the profit share of the shareholder will be taxed in accordance with the principles applicable for corporations (see “Corporations” above). If the partner is an individual, the taxation of the partner is generally in line with the principles described for sole proprietors (see “Sole Proprietors” above). Upon application and subject to further conditions, an individual as a partner can have their personal income tax rate lowered for earnings not withdrawn from the partnership.

In addition, if the partnership is a commercially active or commercially tainted partnership (*gewerbliche Mitunternehmerschaft*) with a tax domicile in Germany, the dividends are generally subject to trade tax in the full amount at the partnership level if the shares are attributed to a German permanent establishment of the partnership. If a partner of the partnership is an individual, the portion of the trade tax paid by the partnership pertaining to their profit share will generally be credited, either in full or in part, against their personal income tax by means of a lump sum method—depending on the level of the municipal trade tax multiplier and certain individual tax relevant circumstances of the taxpayer. If the partnership fulfills the prerequisites for the trade tax exemption at the beginning of the relevant assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of a corporation which is a partner of such partnership and to whom at least 10% of the shares in the Company are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporation as partner of such partnership (which includes individual partners and should, under a literal reading of the law, also include any corporation as partner of such partnership to whom, on a look-through basis, only Portfolio Participations are attributable) should not be subject to trade tax.

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see “18.2.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

18.2.2.3 Taxation of Dividends of Shareholders without a Tax Domicile in Germany

Shareholders without a tax domicile in Germany, whose shares are allocable to a German permanent establishment or fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed, are liable for tax in Germany on their dividend income. In this respect, the provisions outlined above for shareholders with a tax domicile in Germany whose shares are held as business assets apply accordingly (see “18.2.2.2(II) Shares Held as Business Assets” in “18.2.2.2 Taxation of Dividends of Shareholders with a Tax Domicile in Germany”). The withholding tax (including the solidarity surcharge (*Solidaritätszuschlag*)) withheld and passed on will generally be credited against the income or corporate income tax liability or refunded in the amount of any excess.

In all other cases, any German tax liability for dividends is settled by the withholding of the withholding tax by the Dividend Paying Agent. Withholding tax is only reimbursed in the cases and to the extent described above under “18.2.2.1 Withholding Tax”.

Dividend payments that are funded from the Company’s contribution account for tax purposes (*steuerliches Einlagekonto*) are generally not taxable in Germany.

18.2.3 Taxation of Capital Gains

18.2.3.1 Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany

(I) Shares Held as Non-Business Assets

Gains on the disposal of shares acquired after December 31, 2008 by a shareholder with a tax domicile in Germany and held as non-business assets are generally—regardless of the holding period—subject to a uniform tax rate on capital investment income in Germany (25% plus the solidarity surcharge (*Solidaritätszuschlag*) of 5.5% thereon, i.e. 26.375% in total plus any church tax (*Kirchensteuer*), if applicable). If the entitlement to dividend payments is disposed of without the shares, the income from the sale of the entitlement to dividend payments is taxable. The same applies if shares are sold without the entitlement to dividend payments.

The taxable capital gain is computed from the difference between (i) the proceeds of the disposal, and (ii) the acquisition costs of the shares and the expenses related directly and materially to the disposal. Distributions that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) reduce the original acquisition costs; if distributions that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) exceed the acquisition costs, negative acquisition costs—which can increase a capital gain—can arise in the case of shareholders, whose shares are held as non-business assets and do not qualify as Qualified Holding.

Only an annual lump sum deduction of € 1,000 (€ 2,000 for married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns) may be deducted from the entire capital investments income. It is generally not possible to deduct income-related expenses in connection with capital gains, except for the expenses directly related in substance to the disposal which can be deducted when calculating the capital gains. Losses on disposals of shares may only be offset against gains on the disposal of shares (the constitutionality of this loss limitation rule is currently under review by the BVerfG, see legal proceedings of the BVerfG with case reference number 2 BvL 3/21).

If the shares are held in custody or administered by a domestic credit, financial services or securities institution (*inländisches Kredit-, Finanzdienstleistungs- oder Wertpapierinstitut*), including domestic branches of foreign credit institutions or financial service institutions, or if such an office executes the disposal of the shares and pays out or credits the capital gains (a “**Domestic Paying Agent**”), the tax on the capital gains will in general be settled by the Domestic Paying Agent withholding the withholding tax on investment income at an aggregate withholding tax rate of 26.375% (including solidarity surcharge (*Solidaritätszuschlag*)) plus church tax (*Kirchensteuer*), if applicable, on the capital gain and transferring it to the tax authority for the account of the seller. If the shares were held in custody or administered by the same Domestic Paying Agent after the acquisition of the relevant shares, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly relating to the sale, and the acquisition costs. If the shares are sold after being transferred to a Domestic Paying Agent, the aggregate withholding tax rate of 26.375% (including solidarity surcharge (*Solidaritätszuschlag*) thereon) plus church tax (*Kirchensteuer*), if applicable, will be applied to 30% of the gross sales proceeds unless the previous account bank is entitled and able to verify the actual acquisition cost in accordance with Section 43a para. 2 sent. 3 to 7 of the EStG. In any case, the shareholder is entitled to demonstrate the actual acquisition costs of the shares in the annual tax return.

The shareholder can apply for their total capital investment income together with their other taxable income to be subject to the progressive income tax rate as opposed to the uniform tax rate on investment income, if this results in a lower tax liability (*Günstigerprüfung*). This request may only be exercised consistently for all capital investment income and be exercised jointly in the case of married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns. In this case, the withholding tax would be credited against the progressive income tax and any resulting excess amount would be refunded; limitations on offsetting losses are applicable.

If the withholding tax or, if applicable, the church tax (*Kirchensteuer*) on capital gains is not withheld by a Domestic Paying Agent, the shareholder is required to declare the capital gains in their income tax return. The income tax and any applicable church tax (*Kirchensteuer*) on the capital gains will then be collected by way of assessment.

Generally, an automatic procedure for deducting church tax (*Kirchensteuer*) applies unless the shareholder has filed a blocking notice (*Sperrvermerk*) with the BZSt (at the address specified above) and church tax (*Kirchensteuer*) on capital gains is withheld by the Domestic Paying Agent and is deemed to have been paid when the tax is deducted. A deduction of the withheld church tax (*Kirchensteuer*) as a special expense is not permissible, but the withholding tax to be withheld (including the solidarity surcharge (*Solidaritatzuschlag*)) is reduced by 26.375% of the church tax (*Kirchensteuer*) to be withheld on the capital gains.

Regardless of the holding period and the acquisition date, gains from the disposal of shares are not subject to a uniform withholding tax but to progressive income tax in the case of a Qualified Holding. In this case, the partial income method (*Teileinkufteverfahren*) applies to gains on the disposal of shares, which means that only 60% of the capital gains are subject to German income tax and only 60% of the losses on the disposal and expenses economically related thereto are tax deductible. Even in case withholding tax is actually withheld by a Domestic Paying Agent in the case of a Qualified Holding, this does not satisfy the tax liability of the shareholder. Consequently, shareholders must declare their capital gains in their income tax returns. The withholding tax (including the solidarity surcharge (*Solidaritatzuschlag*) and church tax (*Kirchensteuer*), if applicable) withheld and paid will be credited against the shareholder's income tax on their tax assessment (including the solidarity surcharge (*Solidaritatzuschlag*) and any church tax (*Kirchensteuer*), if applicable) or refunded in the amount of any excess.

(II) Shares Held as Business Assets

Gains on the sale of shares held as business assets of a shareholder with a tax domicile in Germany are not subject to uniform withholding tax. The taxation of the capital gains depends on whether the shareholder is a corporation, a sole proprietor or a partnership (co-entrepreneurship). Distributions that are funded from the Company's contribution account for tax purposes (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of disposal, a higher taxable capital gain can arise therefrom. If the distributions exceed the shares' book value for tax purposes, a taxable capital gain can arise.

(i) Corporations

If the shareholder is a corporation with a tax domicile in Germany, the capital gains on the disposal of shares are in general 100% exempt from corporate income tax (including the solidarity surcharge (*Solidaritatzuschlag*)) and trade tax, currently, regardless of the size of the participation and the holding period. However, 5% of the capital gains are treated as non-deductible business expenses and are therefore subject to corporate income tax (plus the solidarity surcharge (*Solidaritatzuschlag*)) at an aggregate tax rate of 15.825% plus trade tax at the average trade tax rate in Germany of approximately 15% (depending on the municipal trade tax multiplier applied by the municipal authority in which the shareholder maintains its permanent establishments, with a statutory minimum trade tax rate of 7%), having the effect that dividends and other profit shares are effectively 95% exempt from corporate income tax (and solidarity surcharge (*Solidaritatzuschlag*) thereon) and trade tax. As a rule, losses on disposals and other profit reductions in connection with shares (e.g., from a write-down) cannot be deducted as business expenses.

(ii) Sole Proprietors

If the shares are held as business assets by a sole proprietor with a tax domicile in Germany, only 60% of the gains on the disposal of the shares are subject to progressive income tax (plus the solidarity surcharge (*Solidaritatzuschlag*), if applicable) at a total marginal tax rate of up to approximately 47.5%, and, if applicable, church tax (*Kirchensteuer*) (partial income method—*Teileinkufteverfahren*). Correspondingly, only 60% of the losses upon the disposal and expenses economically related thereto are tax deductible. If the shares belong to a

German permanent establishment of a business operation of the sole proprietor, 60% of the capital gains upon the disposal of the shares are, in addition, subject to trade tax.

As a general rule, trade tax can be credited towards the shareholder's personal income tax, either in full or in part, by means of a lump sum tax credit method—depending on the level of the municipal trade tax multiplier and certain individual tax relevant circumstances of the taxpayer.

(iii) Partnerships

If the shareholder is a partnership, the income or corporate income tax is not levied at the level of the partnership but at the level of the respective partner. The taxation depends on whether the partner is a corporation or an individual. If the partner is a corporation, the gains on the disposal of the shares as contained in the profit share of the partner will be taxed in accordance with the principles applicable for corporations (see “(i) Corporations” above). For capital gains in the profit share of a partner that is an individual, the principles outlined above for sole proprietors apply to the relevant partners accordingly (partial income method, see above under “(ii) Sole Proprietors”). Upon application and subject to further conditions, an individual as a partner can obtain a reduction of their personal income tax rate for earnings not withdrawn from the partnership.

In addition, if the partnership is a commercially active or commercially tainted partnership (*gewerbliche Mitunternehmerschaft*) and the shares in the Company are attributed to a domestic permanent establishment of a business operation of the partnership, gains on the disposal of shares are subject to trade tax at the level of the partnership at a ratio of 60% to the extent attributable to the profit share of an individual as the partner of the partnership and effectively at 5% to the extent attributable to the profit share of a corporation as the partner of the partnership. Losses on disposals and other profit reductions in connection with the shares are also only taken into account at a ratio of 60% to the extent attributable to the profit shares of an individual as the partner of the partnership, but not at all to the extent attributable to the profit share of a corporation as the partner of the partnership. If a partner of the commercially active or commercially tainted partnership is an individual, the portion of the trade tax paid by the partnership attributable to its profit share will generally be credited, either in full or in part, against its personal income tax by means of a lump sum method—depending on the level of the municipal trade tax multiplier (*Hebesatz*) and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to companies operating in the financial and insurance sectors, as well as to pension funds (see “18.2.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds”).

(III) Withholding Tax

In the case of a Domestic Paying Agent, the gains of the sale of shares held as business assets are in general subject to withholding tax in the same way as shares held as non-business assets by a shareholder (see “18.2.2.2(I) Shares Held as Non-Business Assets” in “18.2.3.1 Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany”). However, the Dividend Paying Agent will not withhold the withholding tax in accordance with Section 43 para. 2 sent. 3 of the EStG, if (i) the shareholder is a corporation, association of persons or estate with a tax domicile in Germany, or (ii) the shares belong to the domestic business assets of a shareholder, and the shareholder declares so to the Domestic Paying Agent using the designated official form and certain other requirements are met. If withholding tax is nonetheless withheld by a Domestic Paying Agent, the withholding tax (including the solidarity surcharge (*Solidaritätszuschlag*) and church tax (*Kirchensteuer*), if applicable) withheld and paid would generally be credited against the income or corporate income tax liability (including the solidarity surcharge (*Solidaritätszuschlag*) and church tax (*Kirchensteuer*), if applicable) or would generally be refunded in the amount of any excess.

18.2.3.2 Taxation of Capital Gains of Shareholders without a Tax Domicile in Germany

Capital gains derived by shareholders with no tax domicile in Germany are only subject to German tax if the selling shareholder has a Qualified Holding in the Company or the shares belong to a domestic permanent establishment or

fixed place of business or are part of business assets for which a permanent representative in Germany has been appointed.

In the case of a Qualified Holding, if the shareholder is a private individual, only 60% of the gains of the disposal of the shares are subject to progressive income tax plus the solidarity surcharge (*Solidaritätszuschlag*) (partial income method—*Teileinkünfteverfahren*); however, most double taxation treaties provide for exemption from German taxation and assign the right of taxation to the shareholder's country of residence. According to the tax authorities, there is no obligation to withhold withholding tax at source in the case of a Qualified Holding if the shareholder submits to the Domestic Paying Agent a certificate of domicile issued by a foreign tax authority.

If the selling shareholder has a Qualified Holding in the Company and the selling shareholder is a corporation, which is not protected under a double taxation treaty, which fully exempts any capital gain from taxation in Germany, any capital gain of such shareholder is nevertheless fully tax exempt under German domestic rules without the application of 5% deemed non-deductible business expenses pursuant to the decision of the German Fiscal Court (*Bundesfinanzhof*, BFH) dated May 31, 2017 (BStBl. II 2018, p. 144).

With regard to gains or losses of the disposal of shares attributable to a domestic permanent establishment or fixed place of business or which are part of business assets for which a permanent representative in Germany has been appointed, the abovementioned provisions pertaining to shareholders with a tax domicile in Germany whose shares are business assets apply *mutatis mutandis* (see “18.2.2.2(II) Shares Held as Business Assets” in “18.2.3.1 Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany”). The Domestic Paying Agent can refrain from deducting the withholding tax if the shareholder declares to the Domestic Paying Agent on an official form that the shares form part of domestic business assets and certain other requirements are met.

18.2.4 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

As an exception to the aforementioned rules, dividends paid to, and capital gains realized by, certain companies in the financial and insurance sector are fully taxable. Since January 1, 2017, this rule applies to shares which, in the case of credit institutions, securities institutions or financial services institutions, are allocated to the trading portfolio (*Handelsbestand*) within the meaning of Section 340e para. 3 HGB. As a consequence, such credit institutions, securities institutions or financial services institutions cannot benefit from the partial income method and are not entitled to the effective 95% exemption from corporate income tax, solidarity surcharge (*Solidaritätszuschlag*) and trade tax. Therefore, dividend income and capital gains are fully taxable. The same applies to shares held by finance companies where (i) credit institutions, securities institutions or financial services institutions hold, directly or indirectly, a participation of more than 50% in the respective finance company, and (ii) the finance company must disclose the shares as current assets (*Umlaufvermögen*) as of the time they are initially recognized as business assets. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies, to which the Parent Subsidiary Directive applies.

In addition, a relief from German taxation may be available under an applicable double taxation treaty, subject to certain prerequisites, e.g., substance requirements and holding periods, being met.

18.2.5 Inheritance and Gift Tax

The transfer of shares to another person *mortis causa* or by way of gift is generally subject to German inheritance or gift tax if:

- (i) the place of residence, habitual abode, place of management or registered office of the decedent, the donor, the heir, the donee or another acquirer is, at the time of the asset transfer, in Germany, or such

person, as a German national, has not spent more than five continuous years outside of Germany without maintaining a place of residence in Germany;

- (ii) the decedent's or donor's shares belonged to business assets for which there had been a permanent establishment in Germany or a permanent representative had been appointed; or
- (iii) the decedent or the donor, at the time of the succession or gift, held a direct or indirect interest of at least 10% of the Company's share capital either alone or jointly with other related parties.

The fair market value of the shares represents the tax assessment base. This is in general the stock exchange price of the shares. Different tax rates apply depending on the degree of relationship between the decedent or donor and the recipient.

The small number of double taxation treaties in respect of inheritance and gift tax which Germany has concluded to date usually provide for German inheritance or gift tax only to be levied in the cases under (i) and, subject to certain restrictions, in the cases under (ii). Special provisions apply to certain German nationals living outside of Germany and to former German nationals.

18.2.6 Other Taxes

No German capital transfer taxes, value added tax, stamp duties or similar taxes are currently levied on the purchase or disposal or other forms of transfer of the shares; however, an entrepreneur may opt to subject disposals of shares, which are in principle exempt from value added tax, to value added tax if the sale is made to another entrepreneur for the entrepreneur's business. Wealth tax is currently not levied in Germany.

18.2.7 The Proposed Financial Transaction Tax (FTT)

On February 14, 2013, the EU Commission adopted a proposal for a Council Directive on a common financial transaction tax ("FTT"). According to such directive, the FTT shall be implemented in certain EU member states, including Germany.

The proposed FTT has a very broad scope and could, if introduced, apply to certain dealings in the shares (including secondary market transactions) in certain circumstances. The issuance and subscription of the shares should however be exempt.

In June 2018, Germany and France agreed to further pursue the implementation of an FTT in the EU for which the current French financial transaction tax (which is mainly focused on transactions regarding shares in listed companies with a market capitalization of more than €1 billion) could serve as a role model.

Any FTT proposal is, however, still subject to negotiation between (certain) EU member states. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating EU member states and when it will take effect with regard to dealings in the shares.

On December 9, 2019, the German Federal Finance Minister (*Bundesfinanzminister*) announced another final proposal for a Directive for a financial transaction tax implemented by way of the enhanced cooperation mechanism to nine other participating EU member states ("New FTT"), which, was revised again in April 2020.

The proposed New FTT remains subject to negotiation between the participating EU member states. Prospective investors are advised to seek their own professional advice in relation to the FTT and New FTT.

18.2.8 Partial Abolition of the Solidarity Surcharge (*Solidaritätszuschlag*) as of 2021

As of 2021, the solidarity surcharge (*Solidaritätszuschlag*) which is an additional levy on the income tax burden of taxable persons in an amount of 5.5% of the relevant tax has been partly abolished. Such abolition only affects individuals subject to income tax under the EStG, hence corporations that are subject to corporate income tax under the KStG are not affected by such abolition at all. As a result of such law, the solidarity surcharge would only be levied if the income tax burden (*tarifliche Einkommensteuer*) exceeds an exemption limit of €19,950 (or €39,900 in

the case of married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns) in the assessment period 2025 and €20,350 (or €40,700 in the case of married couples or registered civil unions (*eingetragene Lebenspartnerschaften*) filing joint tax returns) as of the assessment period 2026. If the taxable income of an investor exceeds such exemption limit, the solidarity surcharge rate increases continuously up to a total levy of 5.5% on the income tax burden.

However, the partial abolition of the solidarity surcharge (*Solidaritatzuschlag*) does not affect the withholding of taxes (*Kapitalertragsteuer*). The solidarity surcharge (*Solidaritatzuschlag*) will still be levied on the withholding tax amount and withheld accordingly. Regardless of the aforementioned exemption limits, there will not be a refund of any solidarity surcharge (*Solidaritatzuschlag*) if the withholding tax cannot be refunded either.

19 Financial Information

Audited Combined Financial Statements of the Company as of and for the fiscal years ended September 30, 2024, 2023, 2022 in accordance with International Financial Reporting Standards (IFRS, as adopted by the EU).....	F-2
Combined Statement of Financial Position.....	F-3
Combined Statement of Income	F-4
Combined Statement of Comprehensive Income.....	F-5
Combined Statement of Changes in Equity	F-6
Combined Statement of Cash Flows.....	F-7
Notes to the Combined Financial Statements	F-8
Independent Auditor’s Report.....	F-82
Unaudited Condensed Combined Interim Financial Statements of the Company as of and for the nine months ended June 30, 2025 in accordance with IFRS applicable to interim financial reporting (IAS 34)	F-85
Combined Statement of Financial Position.....	F-86
Combined Statement of Income	F-87
Combined Statement of Comprehensive Income	F-88
Combined Statement of Changes in Equity	F-89
Combined Statement of Cash Flows.....	F-90
Explanatory Notes to the Condensed Combined Interim Financial Statements.....	F-91
Audited Unconsolidated Financial Statements of the Company as of and for the fiscal year ended September 30, 2024 in accordance with HGB	F-105
Balance Sheet.....	F-105
Income Statement	F-106
Independent Auditor’s Report.....	F-107

TKMS Business

Combined Financial Statements

As of and for the fiscal years ended September 30, 2022, September 30, 2023, and September 30, 2024

TKMS Business – Combined Statement of Financial Position

thousand €	Note	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Goodwill	4	1,043,092	1,043,092	1,043,676
Intangible assets other than goodwill	4	295,903	286,863	270,780
Property, plant and equipment	5	337,047	396,360	487,946
Investments in equity-accounted investees	18	3,468	5,030	6,249
Other financial assets	9	191	14,099	14,441
Other non-financial assets	10	152,204	157,947	93,765
Deferred tax assets	28	22,806	21,665	17,645
Total non-current assets		1,854,711	1,925,056	1,934,502
Inventories	6	172,513	209,291	244,629
Trade accounts receivable	7	267,571	206,530	281,019
Contract assets	8	485,320	458,944	401,349
Other financial assets	9	1,208,376	1,549,391	1,346,202
Other non-financial assets	10	442,588	456,872	594,999
Current income tax assets	28	4,313	5,250	5,664
Cash and cash equivalents	31	265,362	150,914	122,037
Total current assets		2,846,043	3,037,192	2,995,899
Total assets		4,700,754	4,962,248	4,930,401
Equity and liabilities				
Invested equity attributable to tk Group		2,024,350	2,131,700	1,676,319
Cumulative other comprehensive income		(73,303)	(70,023)	(89,500)
Equity attributable to tk Group		1,951,047	2,061,677	1,586,819
Invested equity attributable to non-controlling interests		4,048	9,833	11,198
Total equity	11	1,955,095	2,071,510	1,598,017
Provisions for pension and similar obligations	12	362,930	344,593	366,502
Provisions for other non-current employee benefits	13	10,811	11,872	12,182
Other provisions, non-current	13	751	5,685	5,609
Deferred tax liabilities	28	124,392	140,472	202,712
Lease liabilities, non-current	17	28,725	26,634	26,990
Other financial liabilities, non-current	15	31,827	16,305	14,556
Total non-current liabilities		559,436	545,561	628,551
Provisions for current employee benefits	13	28,046	29,942	36,658
Other provisions, current	13	393,091	345,974	354,082
Current income tax liabilities	28	8,196	12,679	13,676
Lease liabilities, current	17	6,288	5,109	5,750
Trade accounts payable	14	247,944	374,212	411,395
Other financial liabilities, current	15	158,025	174,154	122,829
Contract liabilities	8	1,187,168	1,230,660	1,543,282
Other non-financial liabilities	16	157,465	172,447	216,161
Total current liabilities		2,186,223	2,345,177	2,703,833
Total liabilities		2,745,659	2,890,738	3,332,384
Total equity and liabilities		4,700,754	4,962,248	4,930,401

TKMS Business – Combined Statement of Income

thousand €	Note	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Sales	23	1,695,820	1,948,673	1,986,551
Cost of sales	24	(1,457,272)	(1,640,840)	(1,673,492)
Gross margin		238,549	307,833	313,059
Research and development cost	24	(54,257)	(42,560)	(47,716)
Selling expenses	24	(63,624)	(76,617)	(71,481)
General and administrative expenses	24	(96,487)	(99,844)	(114,718)
Other income	25	34,149	34,272	29,604
Other expenses	26	(26,680)	(41,775)	(30,303)
Income from operations		31,650	81,309	78,445
Income (loss) from companies accounted for using the equity-method	18	(6,165)	1,563	2,343
Finance income	27	16,801	63,277	70,296
Finance expenses	27	(9,591)	(26,762)	(22,303)
Financial income/(expense), net		1,045	38,078	50,336
Income before tax		32,695	119,387	128,781
Income tax (expense)/income	28	(19,631)	(56,649)	(41,182)
Net income		13,064	62,738	87,599
Thereof:				
attributable to tk Group		11,054	56,948	82,946
attributable to non-controlling interests		2,010	5,790	4,653
Earnings per share (in EUR) for profit for the period attributable to shareholders based on the planned capital structure of TKMS AG & Co. KGaA	11			
Basic		0,17	0,90	1,31
Diluted		0,17	0,90	1,31

TKMS Business – Combined Statement of Comprehensive Income

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net income	13,064	62,738	87,599
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:			
Remeasurements of pensions and similar obligations	84,281	9,613	(18,077)
Items of other comprehensive income that could be reclassified to profit or loss in future periods:			
Cash flow hedges, net	1,463	(5,975)	10,582
<i>Thereof: Change in unrealized gains/(losses)</i>	1,220	(7,026)	7,452
<i>Thereof: Change in realized (gains)/losses</i>	243	1,051	3,130
Foreign currency translation adjustment	9,216	(363)	(10,314)
Other comprehensive income/(loss)	94,960	3,275	(17,809)
<i>Thereof: tax effect</i>	(38,941)	(1,710)	4,937
Total comprehensive income/(loss) for the period	108,024	66,013	69,790
Thereof:			
attributable to tk Group	105,551	60,228	66,599
attributable to non-controlling interests	2,473	5,785	3,191

TKMS Business – Combined Statement of Changes in Equity

thousand €	Invested equity attributable to tk Group	Remeasurements of pensions and similar obligations	Foreign currency translation adjustment	Debt and equity instruments	Cash flow hedges	Total equity attributable to tk Group	Invested equity attributable to Non-controlling Interests	Total equity
Balance as of Oct. 1, 2021	1,993,422	(143,507)	1,655	(323)	(25,624)	1,825,622	1,575	1,827,197
Net income/(loss)	11,054					11,054	2,010	13,064
Other comprehensive income	-	84,281	8,753	(31)	1,494	94,497	463	94,960
Total comprehensive income	11,054	84,281	8,753	(31)	1,494	105,551	2,473	108,024
Dividends & profit and loss transfers with TKMS Business's equity holders	17,534					17,534		17,534
Transactions with tk Group	2,340					2,340		2,340
Balance as of Sept. 30, 2022	2,024,350	(59,226)	10,408	(354)	(24,130)	1,951,047	4,048	1,955,095
Net income/(loss)	56,948					56,948	5,790	62,738
Other comprehensive income	-	9,613	(358)	56	(6,031)	3,280	(5)	3,275
Total comprehensive income	56,948	9,613	(358)	56	(6,031)	60,228	5,785	66,013
Dividends & profit and loss transfer with TKMS Business's equity holders	51,519					51,519		51,519
Transactions with tk Group	(1,117)					(1,117)		(1,117)
Balance as of Sept. 30, 2023	2,131,700	(49,613)	10,050	(298)	(30,161)	2,061,677	9,833	2,071,510
Net income/(loss)	82,946					82,946	4,653	87,599
Other comprehensive income	-	(18,077)	(8,851)	245	10,337	(16,347)	(1,462)	(17,809)
Total comprehensive income	82,946	(18,077)	(8,851)	245	10,337	66,599	3,191	69,790
Basis adjustment						(3,130)		(3,130)
Dividends & profit and loss transfer with TKMS Business's equity holders	147,458					147,458		147,458
Transactions with tk Group	(685,785)					(685,785)	(1,826)	(687,611)
Balance as of Sept. 30, 2024	1,676,319	(67,690)	1,198	(53)	(22,953)	1,586,819	11,198	1,598,017

See accompanying notes to combined financial statements

TKMS Business – Combined Statement of Cash Flows

thousand €	Note	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net income/(loss)		13,064	62,738	87,599
Adjustments to reconcile net income/(loss) to operating cash flows:				
Deferred income taxes, net	28	6,120	15,353	69,379
Depreciation, amortization and impairment of non-current assets	4, 5	65,442	64,195	72,426
Reversals of impairment losses of non-current assets	4	-	-	(165)
Income (loss) from companies accounted for using the equity-method	18	6,165	(1,563)	(2,343)
(Gain)/loss on disposal of non-current assets		(47)	509	155
Changes in assets and liabilities, net of non-cash effects:				
– Inventories	6	(24,246)	(36,743)	(35,349)
– Trade accounts receivable	7	16,697	61,536	(74,092)
– Contract assets	8	(35,737)	24,765	49,299
– Provisions for pension and similar obligations	12	(6,814)	(4,271)	(4,479)
– Other provisions	13	(33,485)	(67,905)	28,721
– Trade accounts payable	14	(19,028)	128,614	47,353
– Contract liabilities	8	503,665	46,698	334,457
– Other assets/liabilities not related to investing or financing activities	10,16	(87,204)	10,467	(115,447)
Operating cash flows		404,593	304,393	457,514
Purchase of investments accounted for using the equity method and non-current financial assets		(6,615)	(193)	(15)
Capital expenditures regarding property, plant and equipment (inclusive of advance payments)		(109,514)	(109,218)	(83,673)
Capital expenditures regarding intangible assets (inclusive of advance payments)		(14,856)	(15,481)	(20,024)
Proceeds from disposals of property, plant and equipment, intangible assets, investments accounted for using the equity method and other non-current assets		1,040	281	1,461
Cash pool withdrawals (deposits)	21	(149,948)	(300,658)	272,490
Cash flows from investing activities	31	(279,893)	(425,269)	170,239
Proceeds from / repayments of liabilities to financial institutions	31	(39)	197	192
Cash flows from redemption of lease liabilities		(7,503)	(7,910)	(9,999)
Profit loss transfers received (paid)	31	50,952	17,535	51,733
Transactions with tk Group	31	4,125	(322)	(683,097)
Cash flows from financing activities		47,535	9,500	(641,171)
Net increase/(decrease) in cash and cash equivalents		172,235	(111,376)	(13,418)
Effect of exchange rate changes on cash and cash equivalents		20,565	(3,072)	(15,459)
Cash and cash equivalents at beginning of year	31	72,562	265,362	150,914
Cash and cash equivalents at end of year	31	265,362	150,914	122,037
Additional information regarding interest and income tax amounts included in operating cash flows:				
Income tax paid	28	(14,346)	(34,862)	(24,994)
Interest received		14,422	58,958	66,867
Interest paid		(2,511)	(7,310)	(4,743)

Cf. Note 31

TKMS Business – Notes to the Combined Financial Statements

1 General information

1.1 Purpose and content of the Combined Financial Statements

thyssenkrupp is an international industrial and technology group (hereafter referred to as “thyssenkrupp Group” or “tk Group”). Its business activities are bundled in five segments: Automotive Technology, Decarbon Technologies, Materials Services, Steel Europe and Marine Systems. thyssenkrupp AG is tk Group’s ultimate parent company with its registered office located at thyssenkrupp Allee 1, 45143 Essen, Germany (hereafter “tk AG”). tk AG is a stock corporation organized under the laws of the Federal Republic of Germany and is registered with the commercial register of the District Court of Essen under No. HRB 15364 and Duisburg No. HRB 9092.

The Executive Board of tk AG has made the decision to evaluate a minority spin-off of its Marine Systems Segment (hereinafter referred to as “TKMS Business”, “Marine Systems,” “MS,” or “Marine Systems Business”) and has started preparations for a separate stock-exchange listing of the future TKMS AG & Co. KGaA Group (hereafter referred to as the “TKMS Group” or “the Group”) with TKMS AG & Co. KGaA as the listed holding company (hereafter referred to as the “TKMS Holding” or “the Company”). TKMS Holding with registered office located at thyssenkrupp Allee 1, 45143 Essen is registered with the commercial register of the District Court of Essen under No. HRB 32710 and did not have any operating business in the past and the historical periods presented.

After the spin-off tk Group will retain a majority 51% interest in TKMS AG & Co. KGaA. The spin-off requires the approval of an extraordinary shareholders’ meeting of tk AG which was held on August 8, 2025 for a listing at the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse or the “stock exchange”), Germany, which is expected to be completed in early October 2025.

The TKMS Business has historically been conducted by legally separated companies solely dedicated to the TKMS Business as described in more detail in section 1.2 “Description of the TKMS Business” (the “Dedicated Entities”). In particular, it was conducted in (i) several dedicated domestic and foreign companies representing the historical core business activities of the Marine Systems Business (hereafter the “Legacy TKMS Business”) and (ii) thyssenkrupp transrapid GmbH (hereafter “transrapid” or TechCenter Control Technology, also referred to as “TCCT”) representing a key element of the Group’s technology strategy with an increasing focus on artificial intelligence (AI) capabilities in response to the increasing relevance of electronics and autonomous solutions in future naval battlefield (“the New TKMS Business”) (cf. Note 3 including a comprehensive list of the Dedicated Entities). The majority or all of shares in the aforementioned companies were held directly by thyssenkrupp Technologies Beteiligungen GmbH (hereafter “tkTB”), a wholly owned subsidiary of tk AG, and/or held directly or indirectly by tk AG.

The execution of the spin-off requires the implementation of a spin-off structure which will be achieved through a legal reorganization implemented in a sequence of legal steps.

Effective September 30, 2024, companies representing the Legacy TKMS Business have been legally reorganized and bundled under TKMS GmbH (hereafter “TKMS GmbH”), a limited liability company under German law. In connection with this legal reorganization majority interests in Marine Systems companies historically held by tkTB or tk AG were sold and assigned to TKMS GmbH on the basis of share purchase and transfer agreements for a purchase price equal to either the book value or fair market value of the shareholding transferred.

The finalization of the spin-off structure will be achieved in a sequence of the following steps executed after September 30, 2024:

- (1) Legal reorganization of the shareholdings in TKMS GmbH currently held by tk AG (10,1%) and tkTB (89,9%) to (i) TKMS AG & Co. KGaA, resulting in a 51% interest in TKMS GmbH by tk AG which corresponds with tk AG’s majority interest to be retained after spin-off and (ii) to thyssenkrupp Projekt 9 GmbH (“TKMS Beteiligungsgesellschaft mbH”), a 100% subsidiary of tk AG, resulting in a 49% interest in TKMS GmbH which corresponds with the minority interest subject to spin-off;
- (2) Legal reorganization of the shareholdings in transrapid currently held by tkTB (100%) to (i) TKMS Holding, resulting in a 51% interest in transrapid by tk AG which corresponds with tk AG’s majority interest to be retained

- after spin-off and (ii) to TKMS Beteiligungsgesellschaft mbH resulting in a 49% interest in transrapid which corresponds with the minority interest subject to spin-off;
- (3) Sale and transfer of remaining minority interests in Marine Systems companies currently held by tk AG or its direct and indirect subsidiaries to TKMS GmbH;
 - (4) Spin-off of 100% of the interest in TKMS Beteiligungsgesellschaft mbH, holding 49% interest in TKMS GmbH by tk AG (transferring entity) to TKMS Holding (acquiring entity) (Abspaltung zur Aufnahme).

The listing of TKMS AG & Co. KGaA is contemplated to take place immediately after the spin-off in early October 2025 dependent on the ability to resolve possible actions for avoidance taken by shareholders. For further details on the legal reorganization subsequent to September 30, 2024, please also refer to Note 33.

This set of Combined Financial Statements of the TKMS Business reflects the undertakings of TKMS AG & Co. KGaA after the implementation of the spin-off target legal structure and it has been prepared for the purpose of its inclusion into the securities prospectus of TKMS AG & Co. KGaA.

According to the Commission Delegated Regulation (EU) 2019/980 and Commission Delegated Regulation (EU) 2020/1272 of 4 June 2020 amending and correcting Delegated Regulation (EU) 2019/979 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal (Text with EEA relevance) (the “Regulation”) an issuer must present historical financial information covering the latest three fiscal years in its securities prospectus prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). Given that the TKMS Business was not a group in accordance with IFRS 10 prior to the completion of the legal reorganization TKMS Holding, i.e. the issuer, has a “Complex Financial History” according to the Regulation as there is no historical financial information for the TKMS Business as of and for the fiscal years ended September 30, 2024, 2023 and 2022 that reflects the entire operations of the TKMS Business.

Therefore, the management board of TKMS GmbH, which is identical to the management board of TKMS AG & Co. KGaA, (hereafter referred to as the “Managing Board of TKMS”, “TKMS Management” or “TKMS Management Board”) has prepared Combined Financial Statements which reflect the TKMS business which consist of Combined Statements of Financial Position as of September 30, 2022, 2023, 2024, respectively, as well as Combined Statements of Income, Combined Statements of Comprehensive Income, Combined Statements of Changes in Equity and Combined Statements of Cash Flows for the fiscal years ended September 30, 2022, 2023 and 2024, respectively (collectively referred to hereafter as “Combined Financial Statements”).

The Combined Financial Statements are presented in Euros. Amounts are stated in thousands of Euros, except where otherwise indicated. Rounding differences may arise when individual amounts or percentages are added together.

This set of Combined Financial Statements of TKMS Business was authorized for issue on September 3, 2025 by the management board of TKMS AG & Co. KGaA and the management board of TKMS GmbH.

1.2 Description of the TKMS Business

The TKMS Business is a system provider in submarine and surface vessel construction, in the field of maritime electronics and security technology and in solutions in the non-military sector. The TKMS Business reflected in the Combined Financial Statements comprises the Legacy TKMS Business and the New TKMS Business.

The **Legacy TKMS Business** represents an operating segment of tk Group and has historically been reported as a reportable segment in the Consolidated Financial Statements of tk Group prepared in accordance with IFRS (hereinafter referred to as the “IFRS Consolidated Financial Statements of tk Group”) and is clustered into the following operating units (“OU”):

OU Submarines (also referred to as “SUB” or “Submarines”): covers the construction (including engineering, procurement and construction) of non-nuclear submarines for coastal and blue water deployment. The related projects are customer-specific and long-term, with a typical average term ranging from 8 to 14 years. A comprehensive portfolio of aftermarket services for its technologies in support of its goal of entering into long-term partnerships with its customers is also offered to its customers.

OU Surface Vessels (also referred to as “SVE” or “Surface Vessels”) covers the construction (including engineering, procurement and construction) of frigates, corvettes and light frigates. The related projects are customer-specific and long-term, with an average term of 3 to 6 years. Surface Vessels offers full array of service for the entire life cycle with tailor-made solutions.

OU Atlas Electronics (also referred to “Atlas Electronics”) covers the area of sonars and sensors, command and control systems for submarines and surface vessels, naval weapons, mine countermeasure systems, unmanned underwater vehicles and radio and communication systems.

OU NextGen (also referred to as “NXTGEN” or “NextGen”) has been recently founded and covers innovative and sustainable solutions in the civil market. NXTGEN develops solutions for uncrewed watercraft and innovations for protecting critical infrastructure, detecting and disposing of contaminated sites, and marine surveying.

The **New TKMS Business** represents the business activities of **TCCT** which is being integrated into the TKMS Business in connection with the establishment of TKMS Group in preparation for the spin-off. This integration aligns with the future TKMS Group’s technology strategy, emphasizing enhanced AI capabilities to address the growing importance of electronics and autonomous solutions in future naval warfare. TCCT has been identified as the most suitable tk Group-internal solution to build up capabilities required to maintain TKMS Group’s technological advantage in a fragmented market. TCCT is regarded a core pillar of the TKMS Group’s technology strategy focused on autonomy and AI development for all other businesses. Originating from thyssenkrupp Transrapid GmbH—its official company name to this day—TCCT comprises a team with diverse professional capabilities. TCCT is proficient in handling complex projects and offers specialized engineering services in areas such as mechatronic systems, data analytics and AI, as well as simulation and modelling.

The operating units and TCCT also correspond to the TKMS Business’s operating segments, which are disclosed separately for Submarines, Surface Vessels, and Atlas Electronics, or – in case of TCCT and NXTGEN – are combined and presented in All Other Segments (see Note 22 – Segments).

1.3 Basis of preparation

General preparation principles of Combined Financial Statements

The scope of combination for the Combined Financial Statements of the TKMS Business for the fiscal years ended September 30, 2024, September 30, 2023, and September 30, 2022, was determined on the principles of the legal reorganization approach, i.e., the Combined Financial Statements reflect the undertakings of the future TKMS Group determined by the legal structure, which binds together the relevant economic activities within the reorganization process happening simultaneously with the spin-off.

During the reporting periods of the Combined Financial Statements, the assets and liabilities forming the combination scope were under common control of tk AG. The scope of combination includes companies and businesses that will be directly or indirectly and fully or partially owned by TKMS Group. This includes entities that were controlled by tk AG or its subsidiaries during the reporting periods of the Combined Financial Statements and for which a legal transfer to TKMS Group is planned.

Generally, the Combined Financial Statements of the TKMS Business reflect the activities of the TKMS Business as historically reported under IFRS in the IFRS Consolidated Financial Statements of tk Group.

Dedicated Entities have been reflected in the Combined Financial Statements in their entirety.

For a list of legal entities reflected in the Combined Financial Statements based on the legal reorganization concept, please refer to Note 3.

Compliance with IFRS

During the reporting periods presented, TKMS Business has not been a group of entities under the control of a parent company as defined by IFRS 10 *Consolidated Financial Statements* and has historically not prepared Consolidated Financial Statements for internal or external reporting purposes. Management has prepared these Combined Financial Statements for

the spin-off of TKMS Business. The Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards and the interpretations of the IFRS Interpretations Committee as adopted by the European Union ("IFRS").

Since IFRS do not provide specific guidance for the preparation of Combined Financial Statements, in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors" management uses judgement in developing and applying an accounting policy, which produces information that is relevant to users, reliable and free from bias, and complete in all material respects. In doing so, IAS 8.12 requires consideration of recent pronouncements by other standard-setting bodies, other accounting pronouncements and accepted industry practices.

For the preparation of these Combined Financial Statements the predecessor accounting approach has been applied, i.e. the Combined Financial Statements are considered to be an extract from the Consolidated Financial Statements of the former parent company tk AG (referred to as "Extraction Method") and reflect the activities attributable to the TKMS Business as they have been historically included in the IFRS Consolidated Financial Statements of tk Group. Hence, the TKMS Business is presented using the carrying amounts and historical costs that are also included in the IFRS Consolidated Financial Statements of tk Group. In general, the same accounting policies are applied by the entities in the scope of combination as they were used for the preparation of the IFRS Consolidated Financial Statements of tk Group. However, adjustments were made to the extent necessary to present the TKMS Business as a separate, stand-alone reporting entity, particularly with no intercompany elimination made between TKMS Business and the remaining tk Group. This approach is recognized for the preparation of Combined Financial Statements with respect to reporting in a securities prospectus.

By applying this approach, the carrying amounts are extracted from the IFRS Consolidated Financial Statements of tk Group for the preparation of the Combined Financial Statements and therefore include historical amounts for acquired intangible assets, step ups from purchase price allocation and goodwill, that are attributable to the TKMS Business.

Transactions between the TKMS Business and the remaining tk Group are accounted for and classified as related party transactions in accordance with IFRS as further described in Note 21. Based on their character related party receivables and payables are included as a component in the respective line item in the Combined Statement of Financial Position. All intercompany balances, income and expenses, and unrealized gains and losses resulting from transactions within TKMS Business are generally eliminated, except for gains or losses from foreign exchange translation.

The periods for recognizing adjusting events in the Combined Financial Statements are identical to the respective periods of the IFRS Consolidated Financial Statements of tk Group.

1.4 Specific considerations reflected in Combined Financial Statements

Presentation of Equity

The Combined Statement of Changes in Equity (refer to Note 11) presents the changes in equity attributable to tk Group and attributable to non-controlling interests with respect to the TKMS Business. In the periods under consideration, TKMS Business did not constitute a group with a parent company in accordance with IFRS 10 *Consolidated Financial Statements*. Therefore, "Invested equity attributable to tk Group" is shown in lieu of share capital, reserves and retained earnings, and "Invested Equity attributable to Non-controlling Interests" is presented accordingly. Actuarial gains and losses from remeasurement of postemployment benefits, exchange differences on currency translation of foreign operations and other comprehensive income/loss from equity instruments, cashflow hedge accounting for derivative financial instruments under IFRS 9, net of tax, are reported separately under "Cumulative other comprehensive income".

The effects of the profit or loss transfer agreements with tk AG (see further below) as well as any historical dividend distributions to the remaining tk Group are included in the line item "Dividends & profit and loss transfer with TKMS Business's equity holders" in the Combined Statement of Changes in Equity. The changes in "Invested equity attributable to tk Group" that result from other transactions deemed to be immediately settled through equity and as such treated as contribution or withdrawal by shareholders are included in the line item "Transactions with tk Group", net of tax. Transactions with tk Group relate to carve-out specific considerations, such as the allocation of corporate costs and tax expenses calculated on separate tax return basis and, in fiscal year 2023/2024, payments made in connection with the legal reorganization of majority interests in Marine Systems companies to TKMS GmbH on the basis of share purchase and transfer agreements (see Note 1.1 and 31).

Profit or loss transfer agreements

For the periods under consideration of the Combined Financial Statements liabilities and receivables to tk Group in connection with profit or loss transfer agreements ("Gewinnabführungsvertrag") are presented as other financial assets and other financial liabilities, respectively, in the Combined Statement of Financial Position. The corresponding impact of the profit transfer or loss absorption is directly recognized in equity and is reflected as a withdrawal or contribution in the line item "Dividends & profit and loss transfer with TKMS Business's equity holders" respectively, in the Combined Statement of Changes in Equity. The subsequent settlement of such receivables and liabilities is presented in the financing activities in the line item "Profit loss transfers received (paid)" of the Combined Statement of Cash Flows. Each period under consideration of the Combined Financial Statement reflects the recognition of only the current period's portion of the profit or loss transfer agreements, rather than the anticipated profit or loss transfer over the full remaining term of the contract.

Corporate Costs

tk AG as well as other tk Group companies, such as tk Services GmbH and tk Information Management GmbH, provided various central services such as but not limited to accounting, human resources, information technology, legal, tax, risk management and treasury services to TKMS Business which will either be transferred to TKMS Group as part of the legal reorganization or will be provided as a service under transitional service agreements subsequent to the legal reorganization. Costs historically recharged to TKMS Business are based on historical service agreements and reflected in profit or loss with their historical amounts. Incremental cost attributable to the TKMS Business and that historically have not been recharged to TKMS Business have been attributed to the TKMS Business based on cost recognized and TKMS Business specific cost centers. The incremental attribution is based on historical costs incurred and attributed amounts are deemed to be settled immediately by the parent and as such accounted for as a contribution in the Combined Financial Statements. Accordingly, the impact of the expense attributed through profit or loss, net of tax, is reflected directly in equity as "Transactions with tk Group". Management considers the total of re-charged and attributed cost to be a reasonable reflection of the utilization of services provided, but not necessarily indicative of future costs for such services.

In conjunction with the separation and the spin-off, scope and terms of the general service agreement and supplemental service level agreements between tk Group and the TKMS Business are being re-negotiated to respond to the extended need for general and administration services of TKMS Group after listing and spin-off. As such, costs historically charged to the TKMS Business may differ from the costs which will be charged to the TKMS Group in the future based on the re-negotiated terms. Therefore, the cost structure as reflected in these Combined Financial Statements may not be representative for the future in this regard. Further information on related party transactions is provided in Note 21. In addition, the Group is also establishing new functions in conjunction with the separation and the spin-off which will further increase the cost base.

thyssenkrupp brand

The legal rights to the "thyssenkrupp" brand are held by tk AG. Distinctive elements of the brand include the use of lowercase lettering, a specific logo, font, and color scheme. Historically, tk AG entered into licensing agreements with its subsidiaries, granting them non-exclusive rights to use the "thyssenkrupp" brand (referred to as the "Historical Brand Invoicing Model"). Responsibility for brand maintenance, licensing, and related activities rested solely with tk AG. Under this model, subsidiaries paid an annual corporate mark fee, calculated as a percentage of their sales revenues. These fees are reflected in the Combined Financial Statements for the Dedicated Entities included in the scope of the combination.

Prior to the spin-off, tk AG, as licensor, and TKMS Holding, as licensee, will enter into a new license agreement ("New License Agreement") to ensure TKMS Holding retains the right to use the recently launched new "TKMS" brand following the completion of the spin-off. Under this agreement, TKMS Holding will receive an indefinite right to use the "TKMS" brand name and logos in exchange for a one-time payment reflecting the fair value of the usage rights. The corresponding intangible asset will be subject to annual impairment testing. The New License Agreement will supersede the Historical Brand Invoicing Model.

Performance Guarantees

tk Group issues so called parent company guarantees (hereafter "PCG") to the TKMS Business's customers in connection with the TKMS Business's projects, which result in PCG guarantees fees calculated at a fixed fee (i.e. regardless of the guaranteed amount) by PCG that are charged onwards to TKMS Business. The fees charged for the guarantees have been included in profit or loss with their historical amounts which were based on the directly attributable cost of €85 thousand per PCG

incurred at tk Group. In connection with the contemplated spin-off the terms and conditions of the PCG have been re-negotiated effective fiscal year 2025/2026. Under the re-negotiated terms tk Group continues to charge a fixed fee by PCG in an amount which increases year-over year. While existing PCG will remain in place after the spin-off, it is not intended to make use of new PCG with respect to new contracts entered into by TKMS Group after the spin-off. With respect to new projects concluded after the spin-off it is expected that TKMS Business and its customer will find individual guarantee solutions that will meet the contractual requirements, such as bank guarantees. Guarantee costs therefore are expected to significantly increase in subsequent periods after the spin-off. Therefore, the amounts included in the Combined Financial Statements are not indicative of future performance of the TKMS Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the TKMS Business operated as an independent stand-alone group during the periods presented.

Goodwill

The goodwill included in the Combined Financial Statements corresponds with the goodwill historically allocated to the Marine Systems business in the IFRS Consolidated Financial Statements of tk Group. During the periods presented, goodwill was tested for impairment based on the cash-generating unit structure used at that time by tk AG to monitor goodwill, which coincides with the operating segment represented by the TKMS Business. No impairment was recognized from the goodwill impairment tests performed at the TKMS Business level in the reporting periods presented in the Combined Financial Statements. Following the legal reorganization and the establishment of the TKMS Group under TKMS Holding as the parent company, goodwill will be allocated to the TKMS Group's operating segments using the relative fair value approach. Consequently, future goodwill impairment testing will be performed at the level of the TKMS Group's operating segments for reporting periods ending after the legal reorganization.

Cash pool Arrangements

Marine Systems is expected to be integrated into the tk Group's financing structure until shortly before the spin-off takes effect. In addition to participating in tk Group's cash pooling, this includes cash investments. Overall, the intercompany financing resulted in a positive net balance for all periods under review (cf. Note 9 and 21). In 2024, the gradual separation of Marine Systems from the financial structures of the tk Group began, which is scheduled to be completed when the spin-off takes effect. At the same time, a separate treasury organization is being set up within Marine Systems.

Income taxes

Current and deferred income taxes are recognized in accordance with IAS 12, *Income Taxes*. For the purposes of the Combined Financial Statements, income taxes were determined using the separate tax payer approach based on the assumption that the companies of the TKMS Business constitute separate taxable entities. This assumption implies that current and deferred taxes for all companies and tax groups within the TKMS Business are calculated separately and that the recoverability of deferred tax assets is assessed on this basis.

Deferred tax assets resulting from tax loss carryforwards were recognized in the Combined Financial Statements if it is probable that they can be offset against positive results from the respective TKMS Business companies and respective tax groups in the future.

Current tax receivables and current tax liabilities of companies of the TKMS Business that did not constitute separate income tax payers in the reporting period are reversed against equity because any tax asset or liability is deemed to be settled immediately and, as such, is accounted for as a contribution or withdrawal and presented on a gross basis in the cash flow statement.

In the Combined Statement of Cash Flows, the taxes actually paid by the TKMS Business were included as inflows/outflows from operating activities.

Effects of uncertain tax positions on earnings are reflected in the Combined Financial Statements where relevant to TKMS Business.

The management of TKMS Business deems the approach adopted as appropriate but not necessarily indicative of the tax expense or income that would result for TKMS Business as a separate group.

Segments

In light of the planned spin-off and listing of the TKMS Group, the TKMS Management Board has decided to include segment reporting in the Combined Financial Statements. In accordance with the management approach prescribed by IFRS 8 "Operating Segments", the segment reporting reflects the internal organizational and reporting structure of the TKMS Business as of the date of issuance of the Combined Financial Statements, which is consistent with the internal organizational and reporting structure in place as of September 30, 2024. For more details on segments please refer to Note 22.

2 Summary of significant accounting policies and critical accounting estimates

Combined Statement of Income

The Combined Statement of Income is prepared based on the cost-of-sales method by classifying expenses according to their function.

Cost of sales includes the engineering and purchase costs incurred to generate the sales. In addition to direct material costs, procurement and construction services, non-staff overheads and personnel costs, which represent the majority of cost of sales, cost of sales also includes project and non-project-related indirect costs, including depreciation and amortization and warranty costs.

Research and development cost includes expenses in connection with research and development activities not eligible for capitalization and other costs related to the functional area of research and development.

Selling expenses includes personnel, service and material costs related to the business development and sales process, particularly for the tendering of mainly submarine projects and fluctuate with the tender in the respective years and the complexity of the tenders., including marketing and other costs related to the functional area of sales.

General and administrative expenses include costs incurred in operating and administering the business and consist primarily of expenses for salaries of non-project-related personnel and headquarters expenses and other costs related to the functional area of general administration.

Combined Statement of Cash Flows

The Group uses the indirect method to prepare its Combined Statement of Cash Flows. Net income or loss is adjusted for the effects of transactions of a noncash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

The Group presents cash pooling activities within cash flow from investing activities for the current fiscal year and the comparable periods. The Group continuously has had net receivable that corresponds with the character of an investment. In the context of the planned capital markets transaction and the associated anticipated replacement of the cash pool agreement, the presentation within cash flow from investing activities is intended to ensure more meaningful information and better comparability in the light of the investment strategy selected for excess cash in the future.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. Assets and liabilities are classified by maturity. An asset is current when it is (i) expected to be realised or intended to be sold or consumed in the normal operating cycle, (ii) held primarily for the purpose of trading, (iii) expected to be realised within twelve months after the reporting period or (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (i) it is expected to be settled in the normal operating cycle, (ii) it is held primarily for the purpose of trading, (iii) it is due to be settled within twelve months after the reporting period or (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currency translation

TKMS Business's Combined Financial Statements is presented in Euro (€), which the Group's reporting currency. For each entity, the Group determines the functional currency and items included in the Financial Statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into Euros at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates of the respective reporting period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income (OCI).

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 are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The exchange rates of those currencies significant to the Group have developed as follows:

	Exchange rate as of (Basis €1)			Annual average exchange rate for the fiscal year ended (Basis €1)		
	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
US Dollar	0.97	1.06	1.12	1.09	1.07	1.08
Great Britain Pound	0.88	0.86	0.84	0.85	0.87	0.86
Brazilian Real	5.26	5.31	6.05	5.70	5.41	5.60
Singapore Dollar	1.40	1.44	1.43	1.49	1.44	1.45
Australian Dollar	1.51	1.63	1.62	1.52	1.60	1.64
Danish Krone	7.44	7.46	7.46	7.44	7.45	7.46
South Korean Won	1,400.69	1,425.26	1,469.11	1,349.78	1,404.26	1,457.63
Canadian Dollar	1.34	1.42	1.51	1.38	1.44	1.47
Indian Rupee	79.43	88.02	93.81	83.20	87.86	90.39

Intangible assets including goodwill

Intangible assets with finite useful lives are capitalized at cost and amortized on a straight-line basis depending on their estimated useful lives. Useful lives are examined on an annual basis and adjusted when applicable on a prospective basis. The amortization expense of intangible assets is primarily included in cost of sales in the Combined Statement of Income.

	Useful lives
Franchises, trademarks and similar rights and values as well as licenses thereto	3 to 40 years
Self-created intangible assets, internally developed software and website	3 to 10 years

Goodwill and acquired trademarks with indefinite useful live are stated at cost and tested for impairment annually or on such other occasions that events or changes in circumstances indicate that it might be impaired. Goodwill impairment losses are included in other expenses, if any.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and impairment losses. Capitalized production costs for self-constructed assets include costs of material, direct labour, allocable material and manufacturing overhead.

Administrative costs are capitalized only if such costs are directly related to production. Maintenance and repair costs (day-to-day servicing) are expensed as incurred. Borrowing costs are expensed in the period in which they occur.

Fixtures and equipment are depreciated over the customary useful life using the straight-line method. The following useful lives are used as a basis for calculating depreciation:

Fixtures and equipment	Useful lives
Buildings	10 to 50 years
Buildings and land improvements	15 to 25 years
Technical machinery and equipment	8 to 25 years
Factory and office equipment	3 to 10 years

Impairment of non-financial assets

At each balance sheet date, the Group reviews the carrying amounts of its intangible assets, property, plant and equipment to determine whether there are any indicators of impairment. If such indicator does exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit to which the asset belongs.

The goodwill included in the Combined Financial Statements corresponds with the goodwill historically allocated to the Marine Systems business segment in the IFRS Consolidated Financial Statements of tk Group. During the periods presented, goodwill was tested for impairment based on the cash-generating unit structure used at that time by tk AG to monitor goodwill, which coincides with the operating segment represented by the Marine Systems Business. No impairment was recognized from the goodwill impairment tests performed at the Marine Systems Business level in the reporting periods presented in the Combined Financial Statements.

Following the legal reorganization and the establishment of the future TKMS Group under TKMS Holding as the parent company, goodwill will be allocated to the TKMS Group's operating segments using the relative fair value approach as at TKMS Group the Cash Generating Units are represented by the operating segments, i.e., the OUs, which are OU Submarines, OU Surface Vessels, OU Atlas Electronics. The various OUs operate with high autonomy and generate cash inflows that are largely independent of other operating segments of the TKMS Group.

Consequently, future goodwill impairment testing will be performed at the level of the TKMS Group's operating segments for reporting periods ending after the legal reorganization. Those Cash Generating Units represent the lowest level within the Group at which goodwill is monitored for internal management purposes. The recoverable amount of the Cash Generating Unit that carries a goodwill is tested in the future for impairment annually as of September 30, or on such other occasions that events or changes in circumstances indicate that it might be impaired. For more details refer to Note 4.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately, in case of an asset impairment in functional cost and in case of goodwill impairment in other expense.

In case of impairment losses related to Cash Generating Units that contain goodwill the carrying amount of any goodwill allocated to the Cash Generating Unit is reduced first. If the amount of impairment losses exceeds the carrying amount of goodwill, the difference is generally allocated proportionally to the remaining non-current assets of the Cash Generating Unit to reduce their carrying amounts accordingly. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the Cash Generating Unit.

When an impairment loss subsequently reverses, the carrying amount of the asset (Cash Generating Unit) is increased to the revised estimate of its recoverable amount. The revised amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (Cash Generating Unit) in prior years. A reversal of an impairment loss is recognized as income immediately. However, impairment losses of goodwill may not be reversed.

Leases

Group as a lessee

A contract constitutes a lease if the contract conveys the lessee the right to control the use of an identified asset (the leased asset) for a specific period in exchange for a consideration.

The Group as a lessee recognizes in general for all leases within the statement of financial position an asset for the right of use of the leased assets and a liability for the lease payment commitments at present value. These are primarily rentals of property and buildings, transport vehicles, technical equipment and machinery, other plants and operating and office equipment. The right of use assets reported under property, plant and equipment are recognized at cost less accumulated depreciation and impairment losses. Payments for non-lease components are not included in the determination of the lease liability. The lease liabilities reported under financial liabilities reflect the present value of the outstanding lease payments at the time the asset is made available for use. Lease payments are discounted at the interest rate implicit in the lease if it can be readily determined, otherwise, they are discounted at the lessee's incremental borrowing rate. The determination of the interest rate is based on the assumption that an adequate amount of funds will be raised over an adequate period of time, taking into account the respective currency area.

The lease liabilities include the following lease payments:

- fixed payments, less lease incentives to be paid by the lessor,
- variable lease payments that are based on an index or an interest rate,
- expected amounts to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option, if the exercise is reasonably certain and
- payment of penalties for the termination of the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Right-of-use assets are measured at cost, which are comprised as follows:

- lease liability,
- lease payments made at or before the commencement date less any lease incentives received,
- initial direct costs and
- dismantling obligations.

Subsequent measurement is performed at amortized cost. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If the lease agreement contains reasonably certain purchase options, the right of use is depreciated over the useful life of the underlying asset. The following useful lives are used as a basis for calculating depreciation:

Right-of-use assets	Useful lives
Land and Buildings	5 to 43 years
Technical machinery, equipment	1 to 25 years
Other equipment, factory and office equipment	1 to 15 years

In subsequent measurement, the lease liability is compounded, and the corresponding interest expense is recognized in the financial result. The lease payments made reduce the carrying amount of the lease liability.

In accordance with the recognition exemptions, low-value leases and short-term leases (less than twelve months) are recognized in the statement of income. The Group has identified certain asset classes (e.g., PCs, telephones, printers, copiers) which regularly contain leased assets of low value. Outside these asset classes, only leased assets with a value of up to €5 thousand are classified as low-value leased assets. In general, IFRS 16 regulations are not applied to leases of intangible assets. For contracts including a non-lease component as well as a lease component, each lease component must be accounted for separately from non-lease component as a lease. The lessee must allocate the contractually agreed-upon payment to the separate lease components based on the relative standalone selling price of the lease component and the aggregated standalone selling price of the non-lease components.

The term of the lease is determined based on the non-cancellable lease term together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it

is reasonably certain not to be exercised. Especially real estate leases contain extension and termination options to offer greater operational flexibility to the Group. In determining the lease term, all facts and circumstances are considered that provide an economic incentive to exercise renewal options or not to exercise termination options.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Income from leased out properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in acquiring an operating lease are capitalized as part of the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Investments in associated companies

Investments in associated companies are valued according to the equity method. An associated company is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associated company, but not to control or jointly steer the decision-making processes.

Using the equity method, investments in associated companies are carried in the balance sheet at cost as adjusted for post-acquisition changes in the Company's share of the net assets of the associated company. Goodwill connected with an associated company is included in the carrying value of the investment and not subjected to scheduled amortization. The income statement includes the Company's portion of the success of the associated company. Changes recognized directly in the equity capital of the associated company are recognized by the Company in proportion to its shareholding and – where applicable – reported in "Changes in shareholders' equity". Profits and losses from transactions between the Company and the associated company are eliminated in proportion to the shareholding in the associated company.

The annual financial statements of the associated company are generally prepared as to the same reporting date as those of the Group. The investment in KTA Naval Systems AS accounted for using the equity-method is primarily based on interim Financial Statements as of August 31 of the respective period.

Where necessary, adjustments are made to bring the methods in line with standard group-wide accounting and measurement methods.

After application of the equity method, the Group ascertains whether it is necessary to recognize an additional impairment loss for the Company's investments in associated companies. If there is objective evidence that an impairment has occurred, an impairment test is carried out in the same way as for goodwill.

An impairment loss is recognized when the recoverable amount is less than the associate's total carrying amount. Impairments and reversals are presented within 'Income (loss) from companies accounted for using the equity-method' in the statement of profit or loss.

Joint arrangements

Joint arrangements are contractual agreements in which two or more parties carry out a business activity under joint control. These include joint operations, which comprise construction consortiums. The share of assets, liabilities, income, and expenses of joint operations allocable to the Group under the arrangement is recognized in the Combined Financial Statements.

Inventories

Inventories are stated at the lower of acquisition/manufacturing cost or net realizable value. In general, inventories are valued using the weighted average cost method. Manufacturing cost includes direct material, labour and allocable material and manufacturing overhead based on normal operating capacity. Work in progress refers to costs incurred (e.g., direct material purchased from suppliers) on unfinished products and tools which are in progress of refinement.

Contract assets and contract liabilities

Contract assets and contract liabilities are recognized especially in the context of the Group's customer specific construction contracts, and large-scale projects, for which revenue is recognized over time. If the performance obligations fulfilled by the Group exceed the payments received or due from its customers, contract assets are recognized in the statement of financial position on a net basis insofar as the right to receive payment from the customer is still conditional. Unconditional rights to receive payment are recognized under trade accounts receivable and from this point payment automatically becomes due with the passage of time. If the payments received or due from the customer exceed the performance obligations fulfilled, contract liabilities are recognized in the statement of financial position on a net basis.

As contract assets relate to construction contracts and long-term service agreements in progress, that have not yet been invoiced, they are subject to similar credit risks as trade receivables which are not yet due for the same types of contracts. Therefore, the expected loss rates of trade receivables are applied to the impairment of contract assets.

Financial instruments

A financial instrument is any contract that at the same time gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized as soon as the Group becomes a contracting party to the financial instrument. In cases where trade date and settlement date do not coincide, for non-derivative financial instruments the settlement date is used for initial recognition or derecognition, while for derivatives the trade date is used. Financial instruments stated as financial assets or financial liabilities are generally not offset; they are only offset when a legal right to set off exists at that time and settlement on a net basis is intended.

Financial assets

In particular, financial assets include trade accounts receivable, cash, cash equivalents and time deposits, derivative financial assets, as well as debt instruments. Trade accounts receivable are initially measured at the transaction price. Other financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not carried at fair value through profit or loss in future periods. The fair values recognized on the balance sheet usually reflect the market prices of the financial assets.

The classification and measurement of financial assets is based on the financial asset's cash flow characteristics and on the Group's business model for managing the financial assets.

If a debt instrument is held with the objective of collecting contractual cash flows and if the cash flows are solely payments of principal and interest, the instrument is recognized at amortized cost. At the Group this mainly concerns trade accounts receivable, and cash, cash equivalents and time deposits.

Derivatives that do not qualify for hedge accounting are recognized at fair value in profit or loss.

Debt instruments and trade accounts receivable recognized at amortized cost are measured according to the expected loss model. The expected credit loss is generally calculated by multiplying the three parameters carrying value of the financial asset, probability of default, and loss given default using forward-looking information. The Group applies the simplified impairment model under IFRS 9, and reports lifetime expected losses for all trade accounts receivable and contract assets.

The Group has established a model to determine the expected credit loss, in particular to determine the expected default rates for trade accounts receivable. The expected default rates are determined mainly on the basis of external credit information and ratings for each counterparty. If no rating information is available at counterparty level, an assessment is made based on the average probability of default for the Group plus an appropriate risk premium. Consideration is also given to the respective business model, customer groups, and economic environment of the region.

The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due. The Group considers a financial asset in default when contractual payments are 90 days past due. Financial assets are fully or partially written-off if it is reasonable to assume that they can no longer be fully realized, e.g., because the due date has long passed, or owing to insolvency or similar proceedings. Further information is provided in Note 20.

Cash, cash equivalents and time deposits include cash on hand and demand deposits as well as financial assets that are readily convertible to cash and which are only subject to an insignificant risk of change in value. Cash, cash equivalents and time deposits are measured at amortized cost.

Financial liabilities

Financial liabilities are liabilities that must be settled in cash or other financial assets. Financial liabilities are initially carried at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in future periods.

Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the liabilities' carrying amounts.

Derivative financial instruments

Derivative financial instruments, solely foreign currency forward contracts, are used generally to reduce the currency risk. Such derivatives must be accounted for separately, are measured initially and subsequently at fair value. If the fair value is positive, they are recognized as financial assets. If the fair value is negative, they are recognized as financial liabilities. If they do not qualify for hedge accounting, they are recognized at fair value in profit or loss, and gains or losses due to fluctuations in fair value are recognized immediately in profit or loss.

Hedging relationships are solely used to hedge foreign currency risks of firm commitments, future receivables and liabilities denominated in foreign currency. In the case of cash flow hedges, the fluctuations in fair value are divided into an effective and an ineffective portion. The effective portion of fluctuations in fair value as well as hedging costs (forward element and currency basis spread) in connection with designated foreign currency derivatives is recognized in other comprehensive income. Reclassification to profit or loss takes place when the hedged item affects profit or loss.

The presentation of changes in the fair value of derivative financial instruments that qualify for hedge accounting in the statement of income follows the presentation of the hedged items. For foreign currency contracts used to hedge sales risks, they are presented under net sales. For hedging instruments used to hedge procurement risks, they are presented under cost of sales, and for hedging instruments used to hedge financing risks they are presented under financial income/expense.

If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IFRS 9 or hedge accounting is economically not reasonable, the derivative financial instrument is recognized as a derivative that does not qualify for hedge accounting. The resulting impact on profit and loss from derivative financial instruments that do not qualify for hedge accounting are recognized either in other income or other expenses.

Certain reclassifications have been made regarding the presentation of derivatives that do not qualify for hedge accounting. In consequence, changes in fair value are no longer presented within Sales or Cost of sales. Instead, the effect is presented either within other operating income (fiscal year 2023/2024: €397 thousand; fiscal year 2022/2023: €2,390 thousand; fiscal year 2021/2022: €2,117 thousand) or other operating expenses (fiscal year 2023/2024: €821 thousand; fiscal year 2022/2023: €385 thousand; fiscal year 2021/2022: €984 thousand).

Embedded derivatives

An embedded derivative is a component of a hybrid contract alongside a non-derivative host contract. A portion of the cash flows of the hybrid contract is therefore subject to similar variability as a separate derivative.

Non-derivative host contracts, with the exception of financial assets, are regularly inspected for embedded derivatives.

If the host contract does not fall under the scope of IFRS 9, Financial Instruments, or if the host contract is a financial liability, embedded derivatives must be separated from the host contract if the assessment finds that the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms would meet the definition of a derivative and TKMS Business does not exercise the option to measure the entire hybrid instrument at fair value through profit or loss.

If separation is appropriate, the host contract is accounted for in accordance with the relevant IFRSs. The embedded derivative is recognized at fair value through profit or loss.

When embedded derivatives qualify for hedge accounting, the recognition of gains and losses depends on the type of hedge relationship: fair value hedge, cash flow hedge, or net investment hedge. TKMS Business only has embedded derivatives in terms of a cash flow hedge, described in more detail in Note 20, section Derivatives that qualify for hedge accounting - cash-flow hedges. It is accounted for as follows:

The cash flow hedge reserve, a separate equity component associated with the hedged item, is adjusted to reflect the lower of the cumulative gain or loss on the hedging instrument since its inception or the cumulative change in the present value of the hedged item's future cash flows. The portion of the gain or loss on the hedging instrument deemed effective - that is, offset by changes in the cash flow hedge reserve - is recognized in Other Comprehensive Income (OCI). Any remaining gain or loss, which balances the changes in the cash flow hedge reserve, is considered hedge ineffectiveness and is recorded in profit or loss.

Income taxes

Income taxes comprise all current and deferred taxes based on taxable profit. They are calculated by taking into account the statutory provisions applying in the countries in which the Group operates. Interest and other surcharges in connection with income taxes are not recognized in income tax expense.

In this connection management judgments are required which may differ from the interpretations of local tax authorities. If this results in changes to income taxes from the past, these are reported in the period in which sufficient information is available for an adjustment. Generally, income taxes are calculated on the basis of the taxable profits, temporary difference reported for the fiscal year and the tax losses carried forward. Current income taxes are recognized in the amount in which it is assumed they will be paid to the tax authorities in the future. Current income taxes relating to items recognised directly in equity is recognised in equity.

Deferred taxes are accounted for based on temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax basis. Additionally, deferred tax assets are derived from unused tax losses carried forward and credits. Where deferred tax assets occur, they are measured and adjusted according to an assessment of their future recoverability using forecast calculations and realizable tax strategies. Deferred taxes are calculated at the enacted or substantially enacted tax rates that are expected to apply when the asset or liability is settled.

Deferred tax assets and liabilities related to Pillar 2 income taxes are not recognized.

Deferred taxes relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities raised by the same taxation authority on the same taxable entity by reference to their maturity.

Cumulative other comprehensive income

The equity line item "Cumulative other comprehensive income" presents changes in the equity of the Group that were not recognized in the Combined Statement of Income of the period and that are not resulting from capital transactions with the owners. Cumulative other comprehensive income includes foreign currency translation adjustments, unrealized gains and losses on derivative financial instruments in cash flow hedging, hedging costs in connection with designated foreign currency derivatives. Remeasurements of pensions and similar obligations are reported in cumulative other comprehensive income in the period that they are recognized as other comprehensive income, which is included in the "Equity attributable to tk Group".

Provisions for pension and similar obligations

The Group's net obligation for defined benefit and other postretirement benefit plans have been calculated for each plan using the projected unit credit method as of the balance sheet date.

As far as the fair value of plan assets related to pensions or similar obligations exceeds the corresponding obligation, the recognition of an asset in respect to such surplus is limited. As far as in connection with plan assets minimum funding requirements related to past service exist, an additional liability may need to be recognized in case the economic benefit of a

surplus – already taking into account the contributions to be made in respect of the minimum funding requirements – is limited. The limit is determined by the present value of any future refunds from the plan or reductions in future contributions to the plan asset (asset ceiling).

With the exception of net interest, all income and expenses related to defined benefit plans are recognized in income/(loss) from operations. Net interest included in net periodic pension cost is recognized in net financial income/(expense) in the Group's statement of income.

The Group's obligations for contributions to defined contribution plans are recognized as expense in income/(loss) from operations as incurred.

The effects of remeasurements of pensions and similar obligations are recognized in other comprehensive income and reported in cumulative other comprehensive income. They consist of actuarial gains and losses, the return on plan assets and changes in the effects of asset ceiling excluding amounts already included in net interest. Deferred taxes relating to remeasurements are also recognized in other comprehensive income.

In Germany, the companies of the Group offered pension benefits via a pension fund promise ("Pensionskasse"). This multi-employer plan is defined benefit by nature but due to insufficient information regarding the attributable asset portion the plan was accounted as a defined contribution plan. However, the legally required pension indexation is not expected to be covered by the pension fund but needs to be paid by the company directly. Accordingly, the proportioned pension indexation share is accounted as defined benefit plan.

Long-term incentive programs

Senior executives of the Group receive remuneration in the form of share-based payments, whereby employees are granted share appreciation rights, which are settled in cash (cash-settled transactions).

A liability is recognized for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense (see Note 29). The fair value is recognized as an expense over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model, further details including the approach used to account for vesting conditions are provided in Note 29.

Other provisions

Provisions are recognized when the Group has a present obligation as a result of a past event which will result in a probable outflow of economic benefits that can be reasonably estimated. The amount recognized represents best estimate of the settlement amount of the present obligation as of the balance sheet date. Expected reimbursements of third parties are not offset but recorded as a separate asset if it is virtually certain that the reimbursements will be received. Where the effect of the time value of money is material, provisions are discounted using a market rate.

A provision for warranties is recognized rateably over the term of the contract until the underlying products or services are sold. The provision is being measured individually and the amounts are based on a determined percentage of the particular customer contract volume. In assessing the incidence rate and costs of warranty claims the Group observes historical data and applies calculated ratios on an individual basis. Expenses related to the fulfilment of warranties qualify as subsequent contract costs and are therefore recognized in cost of sales. The reversal of such provisions is vice versa recognized in cost of sales.

A provision for onerous contracts is recognised for certain loss-making contracts with customers. Loss-making contracts are determined by monitoring the progress of projects and updating estimates of contract costs or contract income, which also requires judgment in relation to reaching certain performance stages and estimates.

Restructuring provisions are recognised when the Group has a constructive obligation. The obligation is only provided in case there is a detailed and approved formal plan that identifies the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline. Secondly, employees affected by the restructuring plan must have been notified of the plan's main features.

Revenue recognition

Revenue from contracts with customers is recognized when the included distinct performance obligations, i.e., the distinct goods or services promised in the contract, are transferred to the customer. Transfer takes place when the customer obtains control of the promised goods or services. This is generally the case when the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the transferred goods or services. Revenue from contracts with customers corresponds to the transaction price. The transaction price may include a variable consideration only to the extent it is highly probable that actual occurrence of the variable consideration will not result in a significant revenue reversal. Variable consideration can include price escalations, delay penalties, early completion incentives or penalties regarding failure to achieve critical performance indicators. The transaction price is not adjusted for a financing component, mainly because the period between the transfer of goods and services and the date of payment by the customer is generally less than twelve months. Incremental costs of obtaining a contract with a customer, which mainly relate to campaign and project execution costs and are determined by legal and economic considerations of the commercial representation, are recognized as an asset if the Group expects to recover those costs directly or indirectly within the scope of the contract and are amortized on a straight-line basis over the expected term of the underlying customer contract to which the asset relates. Payment terms vary in accordance with the customary conditions in the respective countries and are generally between 30 and 60 days.

Depending on the nature of the transfer of the underlying good or service, the following revenue recognition methods are applied:

Recognition of revenue at a point in time

Recognition of revenue at a point in time is mainly applied with respect to the delivery of less complex products, such as standard spare parts and tools (finished goods and merchandise), and is recognized at the point in time at which control is transferred to the customer. The time of transfer of control is determined partly on the basis of the delivery clauses (incoterms) agreed with the respective customer.

Recognition of revenue over time

Revenue is recognized over time for the majority of TKMS Business's contracts, which are typically customer-specific across all segments. This includes both new-build contracts and specific service contracts, such as those related to repair and overhaul, modernization, upgrades, and other customer-specific solutions.

The Group applies the series guidance under IFRS 15, i.e., as the contract includes a promise to transfer a series of distinct goods that are substantially the same and have the same pattern of transfer to the customer, the Group identifies a single performance obligation and allocates the transaction price to the performance obligation. The Group then recognises revenue by applying a single measure of progress to that performance obligation. Revenue is recognized over time, whereas the progress of satisfying the performance obligations of construction and service contracts is measured by using the input method based on contract costs. The progress is determined by the ratio of contract costs incurred up to the reporting date to the total estimated contract costs as of the reporting date.

To demonstrate that the transfer of goods is progressive, the following required cumulative criteria must be fulfilled to recognize revenue over time:

- The goods sold have no alternative use, and
- enforceable right to payment (corresponding to costs incurred, plus a reasonable profit margin) for the work performed to date exists, in the event of early termination for convenience by the customer.

In case of onerous contracts, the total anticipated losses, i.e., the amount of unavoidable costs exceeding the transaction price, is recognized within current other provisions. A provision for warranties is recognized rateably over the term of the contract until the underlying products or services are sold. The provision is being measured individually and the amounts are based on a determined percentage of the particular customer contract volume (cf. section Other provisions in Note 2).

Research and development costs

Research costs are expensed as incurred. Results from research activities are used to initiate, plan and execute development projects.

Development costs are capitalized if the product or process is technically and commercially feasible, it is intended to complete the intangible asset, the intangible asset will generate probable future economic benefits, the attributable expenditure can be measured reliably, and the Group has sufficient resources to complete development. Other development costs are expensed as incurred. Capitalized development costs of completed projects are stated at cost less accumulated amortization and impairment losses.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The Group spends significant amounts for research activities and receives grants for such activities from the government. Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Financial statement classification

Certain line items on the Combined Statement of Financial Position and in the Combined Statement of Income have been combined. These items are disclosed separately in the Notes to the Combined Financial Statements.

In general, the Group classifies assets and liabilities as current when they are expected to be realized or settled within twelve months after the balance sheet date or held primarily for the purpose of trading. Group companies that have operating cycles longer than twelve months classify assets and liabilities as current if they are expected to be realized within the Company's normal operating cycle.

Estimates and judgments

The preparation of the Combined Financial Statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. All estimates and assumptions are made to the best of management's knowledge and belief in order to fairly present the Group's Combined Statement of Financial Position and Combined statement of Income; they are reviewed on an ongoing basis. Actual results may differ from these estimates.

Accounting estimates and judgments made by management in the application of IFRS that could lead to a significant risk of a substantial adjustment of the carrying amounts within the next 12 months in the Combined Financial Statements are relevant for the following issues:

Revenue recognition from contracts with customers

TKMS Business operates in the maritime defense sector and in many cases enters into customer-specific, long-term and large-scale contracts that are notably complex. New-build submarine and surface vessel contracts, specific service contracts—such as those related to repairs, major overhauls, modernization, or upgrades of submarines or surface vessels—along with other customer-specific agreements, are accounted for as construction contracts.

Revenue from these construction contracts is recognized over time using the input method, based on contract costs incurred. Revenue and gross margin recognised are a function of both, (i) the progress of the respective performance obligations and (ii) the margins that are expected to be recognised for the contract over time until its final completion.

The recognition of revenue, margin, and the related contract assets and liabilities for these projects depends heavily on various estimates and assumptions, particularly regarding total contract costs and the measurement of progress at a given reporting date. These estimates involve significant judgement and are influenced by factors such as the technical complexity of the contracted work, the ability to meet specific customer requirements, changes in scope or specifications, and the occurrence of unforeseen technical or operational issues.

Due to the extended duration of many of these contracts - often spanning several years - the initial assessment of profitability at contract inception or in the early stages of performance may change materially over time. Unforeseen developments, including, but not limited to, technical challenges, design changes, evolving customer requirements, may negatively impact estimated total contract costs and margins. As a result, contracts that initially appear profitable may become less favorable

or even loss-making in later stages of execution. Material effects from changes in estimates with respect to large-scale construction contracts are discussed in Note 8.

TKMS Business has implemented comprehensive project controlling structures and procedures governed by contract and risk management policies in place to manage the project and identify, monitor, quantify and manage the risks associated with such contracts. In conducting estimates, all relevant aspects and circumstances are considered, including the contract's specific terms, industry commercial and negotiation practices, and other supporting evidence such as technical and legal assessments.

Employee benefits

The Group accounts for pension and other postretirement benefits in accordance with actuarial valuations. These valuations rely on statistical analyses and other factors in order to anticipate future events. These factors include key actuarial assumptions including the discount rate, expected salary increases, mortality rates and health care cost trend rates. These actuarial assumptions may differ materially from actual developments due to changing market and economic conditions and therefore result in a significant change in postretirement employee benefit obligations, of equity and the related future expense (cf. Note 12 for further information).

Furthermore, accounting estimates and judgments made by management in the application of IFRS that could generally lead to an adjustment of the carrying amounts in the Combined Financial Statements are relevant for the following issues:

Recoverability of goodwill

The Group performs goodwill impairment testing at least annually and whenever any impairment indicators are present. If there is an indication, the recoverable amount of the cash-generating unit has to be estimated as the greater of the fair value less costs of disposal and the value in use. The determination of the value in use involves estimates related to the projection and discounting of future cash flows (cf. Note 4). Although management believes the assumptions used to calculate recoverable amounts are appropriate, any unforeseen changes in these assumptions could result in impairment charges to goodwill which could adversely affect the future financial position and operating results.

Other provisions

The recognition and measurement of other provisions are based on the estimation of the probability of a future outflow of resources as well as empirical values and the circumstances known at the reporting date. This means that the actual later outflow of resources may differ from the other provisions, cf. also the remarks under Note 13.

Legal contingencies

The Group companies are parties to litigations related to a number of legal matters as further described in Note 19. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management, with the support of both in-house legal counsel as well as external legal counsel, regularly analyses current information about these matters and provides provisions for probable contingent losses, including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group companies or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Uncertainties from geopolitical developments

The development of the global economy also in parts depends on the further course of Russia's invasion of Ukraine as well as numerous other geopolitical and trade conflicts and their knock-on effects. The high gas prices due to Europe's shift away from Russian energy and the Middle East conflict decreased significantly again. The reduction in energy prices therefore continued to have a downward effect on the sharply increased inflation rate. However, the further course of events depends crucially on geopolitical circumstances, which can change at any time and therefore have a significant impact on the economic development of the German economy.

The Group currently has no contracts with customers in Russia and only minor contracts with a customer in Ukraine. Consequently, the Group's operational business is not directly affected by the imposed sanctions on Russia. There are no

material financial risks from such contracts as of the date of the Combined Financial Statements and therefore there is no significant direct impact of the recent developments on the Group.

At the present time, the specific extent of the indirect consequences of the war in Ukraine on the business development of the Group – such as uncertainty in supply chain including increased prices of raw materials and their processing costs as well as energy prices – remains associated with high uncertainties. Even though the Group has implemented ongoing risk mitigation actions – such as inventory build-up for selected materials, intense vendor management and refined price escalation clauses for future projects – it cannot be ruled out that the economic implications of this crisis will have an impact on the Group's business, results of operations, cash flow or financial condition. The continuing high level of inflation and the risk of changes in interest rates are continuously monitored by the Group regarding its potential impact on significant estimates.

The valuation of the Group's goodwill (cf. Note 4), deferred tax assets (cf. Note 28), trade accounts receivable and contract assets (cf. Note 7 and 8) is particularly sensitive with respect to the assumptions regarding the macroeconomic effects of geopolitical developments and the respective impact on the Group's business.

Effect of the introduction of global minimum taxation

In December 2021, the OECD published guidelines for a new global minimum tax framework. In December 2022, the EU member states agreed on an EU directive to implement these guidelines. The regulations on global minimum taxation came into force in Germany with effect from December 28, 2023 through the Minimum Tax Act. According to this law, the future TKMS Group will be subject to the German regulations on global minimum taxation from fiscal year 2024 / 2025 onwards. Based on the impact analysis carried out for tk Group for fiscal year 2023 / 2024, which also included the TKMS Business, this will not have any material impact on the TKMS Group's income tax expense.

Recently adopted accounting standards

In fiscal year 2023 / 2024 the Group adopted the following standards and amendments to already existing standards that did not have a material impact on the group financial statements:

- IFRS 17 "Insurance Contracts", issued in May 2017, including Amendments to IFRS 17 "Amendments to IFRS 17", issued in June 2020
- Amendments to IAS 1 "Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies", issued in February 2021
- Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates", issued in February 2021
- Amendments to IAS 12 "Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction", issued in May 2021
- Amendments to IFRS 17 "Insurance Contracts. Initial Application of IFRS 17 and IFRS 9 – Comparative Information", issued in December 2021
- Amendments to IAS 12 "Income Taxes: International Tax Reform – Pillar Two Model Rules", issued in May 2023

Issued financial reporting standards that have not been adopted in fiscal year 2023/2024

The IASB has issued the following interpretations and amendments to standards whose application is not mandatory and which in part require EU endorsement before they can be applied. The Group currently assumes that the application of these standards, interpretations and amendments will predominantly not have a material impact on the presentation of the Combined Financial Statements:

- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", issued in January 2020 and October 2022, respectively, not yet endorsed, expected initial application in fiscal year 2024 / 2025
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", issued in September 2022, not yet endorsed, expected initial application in fiscal year 2024 / 2025
- Amendments to IAS 7 „Statement of Cash Flows and IFRS 7 „Financial Instruments Disclosures: Supplier Finance Arrangements", issued in May 2023, not yet endorsed, expected initial application in fiscal year 2024 / 2025

- Amendments to IAS 21 „The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability“, issued in August 2023, not yet endorsed, expected initial application in fiscal year 2025 / 2026
- IFRS 18 “Presentation and Disclosure in Financial Statements“, issued in April 2024, not yet endorsed, expected initial application in fiscal year 2027 / 2028, impact-analysis ongoing
- IFRS 19 “Subsidiaries without Public Accountability Disclosures“, issued in Mayi 2024, not yet endorsed, expected initial application would be in fiscal year 2027 / 2028, but this standard does not have any relevance for the TKMS Business
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments“, issued in May 2024, not yet endorsed, expected initial application in fiscal year 2026 / 2027
- Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 “Annual Improvements to IFRS - Volume 11“, issued in July 2024, not yet endorsed, expected initial application in fiscal year 2026 / 2027 The first-time application of IFRS 18 is expected to have effects, the specific extent is currently being analyzed, although early application is currently not expected.

3 Scope of Combination

The Combined Financial Statements of the Group include the following legal entities:

	Country of incorporation	% equity interest ¹ as of		
		Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
TKMS AG & Co. KGaA (formerly thyssenkrupp Projekt 2 GmbH)	Germany	100	100	100
TKMS Beteiligungsgesellschaft mbH (formerly thyssenkrupp Projekt 9 GmbH)	Germany	100	100	100
TKMS GmbH (formerly thyssenkrupp Marine Systems GmbH)	Germany	100	100	100
Blohm + Voss Shipyards & Services GmbH	Germany	100	100	100
thyssenkrupp Marine Systems Services GmbH	Germany	100	100	100
A 400 Frigate Company GmbH (formerly German Marine Systems GmbH)	Germany	100	100	100
SVG Steinwerder Verwaltungsgesellschaft mbH	Germany	100	100	100
Howaldtswerke-Deutsche Werft Beteiligungs-GmbH	Germany	100	100	100
TKMS Business Partnership, GbR	Germany	100	100	100
IKL Ingenieurkontor Lübeck GmbH	Germany	100	100	100
TKMS ATLAS ELEKTRONIK GmbH (formerly ATLAS ELEKTRONIK GmbH)	Germany	100	100	100
TKMS Hagenuk Marinekommunikation GmbH (formerly Hagenuk Marinekommunikation GmbH)	Germany	100	100	100
ALSE Deutschland GmbH (formerly ATLAS HYDROGRAPHIC GmbH ²)	Germany	100	100	100
TKMS Wismar GmbH (formerly thyssenkrupp Marine Systems Wismar GmbH)	Germany	100	100	100
thyssenkrupp Transrapid GmbH	Germany	100	100	100
ATLAS Maridan ApS	Denmark	100	100	100
ATLAS ELEKTRONIK Finland OY	Finland	100	100	100
TKMS Greek Naval Shipyards Holding Single-Member S.A. (formerly Greek Naval Shipyards Holding S.A.)	Greece	100	100	100
Advanced Lithium Systems Europe S.A.	Greece	100	100	100
thyssenkrupp Marine Systems LLP	United Kingdom	100	100	100
TKMS ATLAS UK (Holding) Ltd. (formerly ATLAS ELEKTRONIK UK (Holdings) Limited)	United Kingdom	100	100	100
TKMS ATLAS UK Ltd. (formerly ATLAS ELEKTRONIK UK Limited)	United Kingdom	100	100	100
thyssenKrupp Marine Systems Gemi Sanayi ve Ticaret A.S.	Turkey	100	100	100
thyssenkrupp Marine System-Egypt SAE	Egypt	100	100	100
Blohm+Voss El Djazair S.a.r.l.	Algeria	100	100	100
ATLAS ELEKTRONIK L.L.C. O.P.C ³	United Arab Emirates	49	49	100

¹ Equity interest represents the equity interest of tk AG which is also representative of the equity interest reflected in the Combined Financial Statements of the TKMS Business assuming the legal reorganization had been implemented as of the respective balance sheet dates outlined in the table below.

² ATLAS HYDROGRAPHIC GmbH was renamed to ALSE Deutschland GmbH after the merger.

³ Included in consolidation due to majority of voting rights.

thyssenkrupp Marine Systems (India) Private Limited	India	100	100	100
ATLAS ELEKTRONIK India Private Limited ⁴	India	100	-	-
TKMS do Brasil Indústria e Comércio Ltda. (formerly thyssenkrupp Marine Systems do Brasil Indústria e Comércio Ltda.)	Brazil	100	100	100
Águas Azuis Construcao Naval SPE Ltda.	Brazil	75	75	75
TKMS Estaleiro Brasil Sul Ltda. (formerly thyssenkrupp Estaleiro Brasil Sul Ltda.)	Brazil	100	100	100
TKMS Dock Servicos Navais Ltda. (formerly thyssenkrupp Dock Servicos Navais Ltda.)	Brazil	-	-	100
TKMS Sonartech ATLAS PTY Ltd. (formerly Sonartech ATLAS PTY Ltd.)	Australia	100	100	100
TKMS Singapore Pte. Ltd. (formerly thyssenkrupp Marine Systems (Singapore) Pte. Ltd.)	Singapore	100	100	100
Atlas Naval Support Centre (Thailand) Limited i. L.	Thailand	100	100	100
ATLAS Naval Engineering Company Ltd.	South Korea	100	100	100
TKMS ATLAS North America, LLC (formerly Atlas North America, LLC)	U.S.A.	100	100	100
TKMS Canada, Ltd. (formerly thyssenkrupp Marine Systems Canada, Ltd.)	Canada	100	100	100

In addition to the legal entities presented in the table above, selected, immaterial activities of the Marine Systems Business historically included in other legal entities of tk Group and legally transferred to TKMS Group after September 30, 2024, in preparation for the spin-off, are reflected in the fiscal years presented in the Combined Financial Statements.

Joint Operations

	Country of incorporation	% of voting rights		
		Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
ARGE F125 GbR	Germany	50	50	50
Fertigungs-ARGE F125 GbR	Germany	50	50	50
Konsortium Joint – ES-Team F125	Germany	50	50	50
Fertigungs-ARGE A200-EN GbR	Germany	50	50	50
ARGE K130 (2. Los) GbR	Germany	50	50	50
IDAS Consortium GbR	Germany	50	50	50
Konsortium FÜWES K130 GbR	Germany	50	50	50

The carrying amounts of participating interests and TKMS Business's interests in the equity of its subsidiaries were eliminated in preparing the Combined Financial Statements.

The Combined Financial Statements also include the joint venture KTA Naval Systems AS which is accounted for using the equity method (cf. Note 18).

Intercompany balances and transactions within the TKMS Business along with all gains and losses from transactions within the Group were eliminated for purposes of the Combined Financial Statements.

⁴ Merger of thyssenkrupp Marine Systems (India) Private Limited (Transferor Company) with Atlas ELEKTRONIK India Private Limited (Transferee Company) effective on September 30, 2022. Atlas ELEKTRONIK India Private Limited was renamed to thyssenkrupp Marine Systems (India) Private Limited after the merger.

4 Intangible assets, including goodwill

Changes in intangible assets

Changes in the Group's intangible assets were as follows:

thousand €	Franchises, trademarks and similar rights and values as well as licenses thereto	Development costs, internally developed software	Goodwill	Total
Gross amounts				
Balance as of Oct. 1, 2021	528,724	20,882	1,041,430	1,591,035
Currency differences	(10)	874		864
Additions	8,344	1,235	1,955	11,534
Transfers	794	68	-	862
Disposals	(1,391)	-	-	(1,391)
Balance as of Sept. 30, 2022	536,461	23,059	1,043,385	1,602,904
Currency differences	384	(570)		(186)
Additions	9,027	1,295	-	10,322
Transfers	719	-	-	719
Disposals	(331)	-	-	(331)
Balance as of Sept. 30, 2023	546,260	23,784	1,043,385	1,613,428
Currency differences	511	(307)		204
Additions	12,046	1,664	584	14,294
Transfers	3,057	(11,533)	-	(8,476)
Disposals	(2,408)	-	-	(2,408)
Balance as of Sept. 30, 2024	559,466	13,608	1,043,969	1,617,042
Accumulated amortization				
Balance as of Oct. 1, 2021	239,404	1,822	293	241,519
Currency differences	(314)	(22)	-	(336)
Amortization expense	21,447	1,609	-	23,056
Transfers	132	-	-	132
Disposals	(462)	-	-	(462)
Balance as of Sept. 30, 2022	260,207	3,409	293	263,909
Currency differences	345	14	-	359
Amortization expense	18,057	1,323	-	19,380
Transfers	-	(120)	-	(120)
Disposals	(55)	-	-	(55)
Balance as of Sept. 30, 2023	278,554	4,626	293	283,473
Currency differences	362	49	-	411
Amortization expense	19,128	1,910	-	21,038
Transfers	-	-	-	-
Disposals	(2,336)	-	-	(2,336)
Balance as of Sept. 30, 2024	295,708	6,585	293	302,586
Net amounts:				
Balance as of Oct. 1, 2021	289,320	19,060	1,041,137	1,349,516
Balance as of Sept. 30, 2022	276,254	19,650	1,043,092	1,338,995
Balance as of Sept. 30, 2023	267,706	19,158	1,043,092	1,329,955
Balance as of Sept. 30, 2024	263,758	7,023	1,043,676	1,314,456

Trademarks with an indefinite life pertain to trademarks ATLAS (for all periods under consideration: €73,900 thousand) and Hagenuk (for all periods under consideration: €7,700 thousand) and remain unchanged as no impairment occurred during the periods under consideration (cf. Note 4 below). Both trademarks used for identification and differentiation are well established. An analysis of product life cycle studies and market and competitive trends indicates that the products will generate net cash inflows for the Group for an indefinite period of time. Therefore, the trademarks are recognized at cost without amortization but are tested for impairment (see below).

As of September 30, 2024, an individual material intangible asset pertains to technology in the amount of € 119,932 thousand (September 30, 2023: €125,859 thousand, September 30, 2022: €131,787 thousand) in connection with the purchase price allocation of TKMS GmbH (previously Howaldtswerke-Deutsche Werft GmbH) with remaining amortization period of 20 years (September 30, 2023: 21 years, September 30, 2022: 22 years).

Amortization expense is included in cost of sales, research and development cost, selling expenses and general and administrative expenses.

Self-created intangible assets largely relate to the Group's torpedo technology and sonar systems.

As of September 30, 2024, the Group did not enter into purchase commitments for intangible assets. There are no intangible assets whose title are restricted and whose carrying amounts are pledged as security for liabilities.

Impairment of goodwill and intangible assets with an indefinite life

The goodwill included in the Combined Financial Statements corresponds with the goodwill historically allocated to the Marine Systems business segment in the IFRS Consolidated Financial Statements of tk Group. During the periods presented, goodwill was tested for impairment based on the cash-generating unit structure used at that time by tk AG to monitor goodwill, which coincides with the operating segment represented by the TKMS Business.

Under IFRS, the recoverable amount of a cash-generating unit (CGU) is the higher of its value in use and fair value less costs of disposal.

For year-end reporting, the recoverable amount for the Marine Systems Business was determined by calculating the value in use with the help of the discounted cash flow method using after-tax cash flow projections from financial budgets prepared by the Marine Systems business segment and resolved by tk AG management for the following three fiscal years. In this context, the Supervisory Board approves the budget for the following fiscal year. The basic planning assumption is a moderate, regionally varying growth in the global economy in 2025. This basic planning assumption also applies to the years 2026 and 2027. For the cash flows beyond the budget period, the third budget year is projected over two further years using business-specific assumptions, and in general this is then used to calculate the perpetuity based on a sustained growth rate of a maximum of 1.6% as of September 30, 2024 (September 30, 2023: 1.4%, September 30, 2022: 1.3%). The weighted average cost of capital discount rate is based on a risk-free interest rate of 2.5% as of September 30, 2024 (September 30, 2023: 2.5%, September 30, 2022: 1.5%) and a market risk premium of 6.75% as of September 30, 2024 (September 30, 2023: 7.0%, September 30, 2022: 7.5%). Moreover, for each CGU the beta, the cost of debt and the capital structure is derived individually from the relevant peer group. In addition, CGU specific tax rates and country risk premiums are used. To discount cash flows after-tax discount rates are applied.

Goodwill of the TKMS Business:

Year	Carrying amount of goodwill €	Pre-tax discount rate in %	After-tax discount rate in %	Growth rate in %	Description of key assumptions of goodwill testing
Sept. 30, 2024	1,043,676	10.5	7.8	1.6	<ul style="list-style-type: none"> - Scheduled processing of the order backlog portfolio and completion of various major projects in the planning period lead to overall increasing order margins - The realization of planned order intake, particularly in the submarine and marine electronics areas, results in significant growth and also an improvement in the average profitability of the future order portfolio - Steadily increasing EBIT adj. margins expected in the planning period due to assumptions on the development of the order backlog and realization of the planned order intake - Calculation of cash flow and operating income margin of 7.4% (prior year: 6.8%) for the perpetual annuity is based on assumptions about the planned future order portfolio in the last planning year (5th planning year)
Sept. 30, 2023	1,043,092	11.2	8.2	1.4	<ul style="list-style-type: none"> - Profitable progress on order backlog portfolio– Realization of planned order intake, particularly in submarine area, resulting in margin improvement in order backlog portfolio - Efficiency increases along entire value chain based on implemented performance program - Calculation of cash flow and operating income margin of 6.8% (prior year: 8.8%) for the perpetual annuity is based on assumptions about the planned future order portfolio in the last planning year (5th planning year)
Sept. 30, 2022	1,043,092	9.9	7.3	1.3	<ul style="list-style-type: none"> - Profitable progress on order backlog portfolio - Realization of planned order intake, particularly in submarine area, resulting in significant margin improvement in order backlog portfolio - Efficiency increases along entire value chain based on implemented performance program - Derivation of cash flow in the perpetual annuity based on assumptions regarding existing order backlog and future order intake - Calculation of cash flow and operating income margin of 8.8% for the perpetual annuity is based on assumptions about the planned future order portfolio in the last planning year (5th planning year)

Trademarks with an indefinite life pertain to trademarks ATLAS (for all periods under consideration: €73,900 thousand) and Hagenuk (for all periods under consideration: €7,700 thousand) and remain unchanged as no impairment occurred during the periods under consideration. Both trademarks have historically been allocated to the Atlas Electronics segment, which also represents a CGU, and tested for impairment. The recoverable amount for Atlas Electronics was determined by calculating the value in use with the help of the discounted cash flow method using after-tax cash flow projections from financial budgets prepared by the TKMS Management for Atlas Electronics. The pre-tax discount rate applied to the cash flow projections is 9,0% (September 30, 2023: 9,0%, September 30, 2022: 8,0%). The after-tax discount rate is 7,8% (September 30, 2023: 8,2%, September 30, 2022: 7,3%). The growth rate used to extrapolate the cash flows of the unit beyond the five-year period is 1,6% (September 30, 2023: 1,4%, September 30, 2022: 1,3%) for the perpetual annuity is based on assumptions

about the planned future order portfolio in the last planning year. The calculation is based on cash flow and operating income margin of 10.6% (September 30, 2023: 10.5%, September 30, 2022: 9.0%). The financial budgets for Atlas Electronics are incorporated into the business plan for the Marine Systems Business. As such, the key assumptions underlying the after-tax cash flow projections align with those used in the goodwill impairment test, as outlined in the table above.

The recoverable amount pertaining to trademark ATLAS exceeds the carrying amount by approximately €303 million as of September 30, 2024 (September 30, 2023: €174 million, September 30, 2022: €148 million). The recoverable amount pertaining to trademark Hagenuk exceeds the carrying amount by approximately €12 million as of September 30, 2024 (September 30, 2023: €4 million, September 30, 2022: €28 million).

5 Property, plant and equipment

Changes in the Group's property, plant and equipment were as follows:

thousand €	Land, buildings including buildings on third-party land	Technical machinery, factory and office equipment	Right-of-use assets	Construction in progress	Total
Gross amounts					
Balance as of Oct. 1, 2021	137,527	304,538	52,110	43,040	537,215
Currency differences	5,252	1,805	430	192	7,679
Additions	30,972	30,450	4,647	4,575	70,644
Transfers	290	2,416	(1,700)	(13,741)	(12,735)
Mergers			458		458
Disposals	(80)	(7,777)	(1,005)	(2)	(8,864)
Balance as of Sept. 30, 2022	173,961	331,432	54,940	34,064	594,397
Currency differences	106	(102)	(501)	148	(349)
Additions	5,475	34,354	5,001	41,530	86,360
Transfers	3,657	18,283	(701)	(1,896)	19,343
Disposals	(20)	(4,446)	(325)	(1,476)	(6,267)
Balance as of Sept. 30, 2023	183,179	379,521	58,414	72,370	693,484
Currency differences	(3,947)	(2,609)	(272)	(211)	(7,039)
Additions	9,199	45,499	19,097	6,524	80,319
Transfers	89,794	38,171	(11,406)	(47,732)	68,827
Disposals	(101)	(29,070)	(2,157)	(982)	(32,310)
Balance as of Sept. 30, 2024	278,124	431,512	63,676	29,969	803,281
Accumulated depreciation and impairment losses:					
Balance as of Oct. 1, 2021	(39,343)	(169,313)	(14,171)	-	(222,827)
Currency differences	(41)	(379)	(193)	-	(613)
Depreciation expense	(5,467)	(29,191)	(7,728)	-	(42,386)
Transfers	(204)	336	930	-	1,062
Disposals	80	7,334	-	-	7,414
Balance as of Sept. 30, 2022	(44,975)	(191,213)	(21,162)	-	(257,350)
Currency differences	(98)	59	258	-	219
Depreciation expense	(6,030)	(29,943)	(7,763)	-	(43,736)

Impairment losses	-	(102)		(977)	(1,079)
Transfers	(25)	(95)	616	-	496
Disposals	7	4,225	94	-	4,326
Balance as of Sept. 30, 2023	(51,121)	(217,069)	(27,957)	(977)	(297,124)
Currency differences	101	538	142	-	781
Depreciation expense	(7,821)	(35,593)	(7,840)	-	(51,254)
Impairment losses	-	(39)	-	(95)	(134)
Reversal of impairment losses		99			99
Transfers	3	(3)	529	-	529
Disposals	87	28,787	1,917	977	31,768
Balance as of Sept. 30, 2024	(58,751)	(223,280)	(33,209)	(95)	(315,335)
Net amounts:					
Balance as of Oct. 1, 2021	98,184	135,225	37,939	43,040	314,388
Balance as of Sept. 30, 2022	128,986	140,219	33,778	34,064	337,047
Balance as of Sept. 30, 2023	132,058	162,452	30,457	71,393	396,360
Balance as of Sept. 30, 2024	219,373	208,232	30,467	29,874	487,946

Property, plant and equipment also include right-of-use assets that are presented in Note 17.

There were no property, plant and equipment assets pledged as collateral for financial debt as of any of reporting dates. As of September 30, 2024, cumulative impairments amount to €134 thousand (September 30, 2023: €1,079 thousand, September 30, 2022: €0 thousand) regarding technical machinery, factory and office equipment and construction in progress.

As of September 30, 2024, the Group entered into purchase commitments for property, plant and equipment of €35,764 thousand (September 30, 2023: €87,892 thousand, September 30, 2022: €124,704 thousand).

In fiscal year 2023/2024, the impairment loss of €134 thousand represented the write-down of certain property, plant and equipment which was recognized in the Combined Statement of Income as cost of sales.

As of September 30, 2024, the constructions in progress primarily includes expenditure for the renovation and reconstructions of buildings in Kiel. Furthermore, construction in progress includes as of September 30, 2024, an amount of €598 thousand (September 30, 2023: €1,835 thousand, September 30, 2022: €1,179 thousand) relating to expenditure for plants and technical machinery in the course of construction.

During fiscal year 2021/2022 the Group acquired land, buildings and technical machinery, factory and office equipment in Wismar to further expand its existing Surface Vessel business (cf. Note 31).

6 Inventories

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Raw materials	15,136	18,195	24,582
Supplies	68,244	85,387	96,145
Work in progress	87,266	104,885	122,233
Finished products and Merchandise	1,867	824	1,669
Total	172,513	209,291	244,629

In the reporting period ended September 30, 2024, €7,245 thousand (September 30, 2023: €3,922 thousand, September 30, 2022: €6,602 thousand) of inventory write-downs have been recognized as an expense in cost of sales. In the reporting period

ended September 30, 2024, €1,740 thousand (September 30, 2023: €2,748 thousand, September 30, 2022: €6,674 thousand) have been recognized as a price-related reversal of previous write-downs.

During the fiscal year ended September 30, 2024, inventories of €803,519 thousand (September 30, 2023: €677,807 thousand September 30, 2022: €777,522 thousand) are recognized as cost of sales.

As of September 30, 2024, there were inventories of €17,169 thousand (September 30, 2023: €18,549, September 30, 2022: €12,469 thousand) with remaining terms of more than one year.

7 Trade accounts receivable

Trade accounts receivable are driven by the Group's project business. The volatility over time is mainly caused by the nature and status of various projects.

As of September 30, 2024, there were trade accounts receivables of €29,007 thousand (September 30, 2023: €0 thousand, September 30, 2022: €460 thousand) with remaining terms of more than one year.

The cumulative impairment losses of €27,680 thousand as of September 30, 2024 (September 30, 2023: €25,855 thousand, September 30, 2022: €21,156 thousand) are recognized for doubtful accounts. For more details, refer to the disclosures in Note 20.

8 Assets and liabilities from contracts with customers

Contract assets and contract liabilities

Contract assets and contract liabilities are reported within the Combined Balance Sheets at the end of each reporting period as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Contract assets	487,372	460,763	402,693
Allowance for expected credit losses	(2,052)	(1,819)	(1,344)
Contract assets (net)	485,320	458,944	401,349
Contract liability	(1,187,168)	(1,230,660)	(1,543,282)

The level of contract assets and contract liabilities is driven by the Group's project business. The significant volatility over time is mainly caused by the nature and status of various projects. The Group typically obtains significant prepayments prior to the satisfaction of the performance obligation based on the achievement of milestones in connection with large-scale construction projects having an average term of 3g to 14 years at inception of each project. The significant increase in contract liabilities is driven by new projects which are in an early stage and are turning into sales over time.

Contract assets decrease by €58,070 thousand in the fiscal year 2023/2024 (fiscal year 2022/2023: decrease of €26,609 thousand, fiscal year 2021/2022: increase of €37,933 thousand) primarily due to an increase (fiscal year 2022/2023: increase, fiscal year 2021/2022: decrease) in advance payments by customers related to large-scale construction projects.

Contract liabilities increased by €312,622 thousand in the fiscal year 2023/2024 (increased €43,492 thousand in the fiscal year 2022/2023, increased €534,766 thousand in the fiscal year 2021/2022) primarily due to an increase (fiscal year 2021/2022: increase, fiscal year 2020/2021: increase) of advance payments by costumers related to new major projects, in excess of revenue recognized from partially satisfied performance obligations for contracts that were in a contract liability position.

In the fiscal year 2023/2024, sales in the amount of €1,283,496 thousand (fiscal year 2022/2023: €1.347.509 thousand, fiscal year 2021/2022: €749,278 thousand) reflected in the contract liability balance at the beginning of the fiscal year were recognized.

The recognition of revenue, gross margin, and the related contract assets and liabilities for TKMS Business's large-scale projects depends heavily on various estimates and assumptions, particularly regarding total contract costs and the measurement of progress at a given reporting date. In connection with the high contract values contract assets and liabilities

recognized are sensitive with respect to changes in estimates of total contract cost, in particular when these have an impact on the projected contract margin. Changes of total contract costs resulting in material changes of estimated project profitability had a negative impact on sales recognized in fiscal year 2023/2024 amounting to €93 million (fiscal year 2022/2023: €29 million, fiscal year 2021/2022: €14 million).

Remaining performance obligations

Amounts of a customer contract's transaction price that are allocated to the remaining performance obligations represent contracted revenue that has not yet been recognized (also referred to as "order backlog") and amounted to €11,800 million as of September 30, 2024 (September 30, 2023: €12,743 million, September 30, 2022: €13,812 million). This amount largely comprises of remaining obligations under construction contracts, as the respective contracts typically have durations of multiple years.

The majority of the order backlog is expected to be recognized as revenue over the next 1 to 14 years following the respective balance sheet date. As of September 30, 2024, an amount of €7,138 million (September 30, 2023: €6,647 million, September 30, 2022: €7,330 million) of the order backlog is expected to be satisfied within the next 5 years after the respective balance sheet date while the remaining balance is expected to be satisfied in subsequent years, i.e. after more than 5 years after the respective balance sheet date.

This estimate is based on our best judgment, on the basis of facts and circumstances available to TKMS Business as of the respective reporting period date.

9 Other financial assets

thousand €	Sept. 30, 2022		Sept. 30, 2023		Sept. 30, 2024	
	current	non-current	current	non-current	current	non-current
Receivables from cash pooling arrangements with tk Group (cf. Note 21)	1,144,781	-	1,429,070	-	1,165,590	-
Other receivables from affiliated companies/investments	53,744	-	96,328	-	159,690	-
Miscellaneous other financial assets	5,568	48	21,059	13,956	19,063	14,298
Derivatives not qualifying for hedge accounting	4,154	-	2,873	-	1,852	-
Derivatives qualifying for hedge accounting	129	-	61	-	7	-
Other Investments		143	-	143	-	143
Total	1,208,376	191	1,549,391	14,099	1,346,202	14,441

The receivables from cash pooling arrangements with tk Group relate to excess liquidity transferred into tk Group's cash pooling and cash management system, cf. Note 21.

Other receivables from affiliated companies/investments relate to supply and delivery agreements between the Group and tk Group, cf. Note 21.

Amongst other, miscellaneous other financial assets relate to other items that are mostly project related cash deposits.

As of September 30, 2024, cumulative impairments amount to €1,025 thousand (September 30, 2023: €1,038 thousand, September 30, 2022: €840 thousand) regarding current other financial assets.

10 Other non-financial assets

thousand €	Sept. 30, 2022		Sept. 30, 2023		Sept. 30, 2024	
	current	non-current	current	non-current	current	non-current
Advance payments on intangible assets	-	12,427	-	17,219	-	34,269
Advance payments property, plant, equipment	-	80,651	-	87,699	-	14,388
Advance payments right of use assets	-	-	-	1	-	-
Advance payments to suppliers	411,576	-	401,195	-	541,651	-
Costs to obtain a contract	-	46,678	-	41,162	-	36,399
Other prepayments	1,451	-	10,785	-	11,207	-
Tax refunds	13,088	-	19,997	-	16,365	-
Miscellaneous	16,473	12,448	24,895	11,866	25,776	8,709
Total	442,588	152,204	456,872	157,947	594,999	93,765

As of September 30, 2024, 2023 and 2022, miscellaneous other current non-financial assets primarily include prepaid expenses as well as short-term insurance payments. In addition, legal costs in Greece were reimbursed to the Group in fiscal year 2022/2023.

Advance payments to suppliers comprise of advance payments to suppliers on products delivered and services rendered.

Costs to obtain a contract mainly relate to campaign and project execution costs and are amortized in selling expenses. As of September 30, 2024, amortisation recognised as selling expenses amount to €4,763 thousand (September 30, 2023: €5,516 thousand, September 30, 2022: €5,516 thousand). No impairment losses were recognized.

Miscellaneous other non-current non-financial assets primarily include offset credits of the Group in the United Arab Emirates.

No impairments regarding other non-financial assets were accrued during the reporting periods ending September 30, 2024, 2023, and 2022.

11 Total equity

Equity attributable to tk Group

As stated in Note 1, TKMS Business was not a legal group for Consolidated Financial Statements reporting purposes in accordance with IFRS 10, Consolidated Financial Statements, in the periods presented. The equity was presented on the basis of the aggregation of the net assets of the TKMS Business under the control of tk AG and centrally managed by the Management Board of Marine Systems.

Capital Management

Capital Management for the TKMS Business was performed by tk Group during the periods under consideration. The key financial goals TKMS Business include the sustainable increase of company value and ensuring liquidity at all times. For the purpose of the Group's capital management, the Group was integrated into the cash pooling and cash management systems of tk Group (cf. Note 9). No financial covenants are required to be monitored since no such existed during the period under consideration due to financing primarily via cash pooling. In addition, in connection with the Group's construction projects tk Group issues guarantees to the Group's customers (cf. Note 21).

Cumulative Other Comprehensive Income

Cumulative other comprehensive income includes the cumulative amount of gains or losses recognized outside the Combined Statement of Income in equity.

Non-controlling interests

Changes in non-controlling interests in the fiscal years September 30, 2022, through September 30, 2024, are shown in the following tables:

ATLAS ELEKTRONIK L.L.C.			
thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Non-current assets	126	66	-
Current assets	26,552	28,880	-
Total assets	26,678	28,946	-
Non-current liabilities	256	283	-
Current liabilities	24,015	26,440	-
Total liabilities	24,271	26,723	-
Net assets	2,407	2,222	-
Net assets attributable to non-controlling interests	1,228	1,133	-
Sales/(negative sales)	(1,640)	4,097	-
Net income/(loss)	(56)	0	-
Other comprehensive income/(loss)	394	209	-
Comprehensive income/(loss)	338	209	-
Net income/(loss) attributable to non-controlling interests	(28)	0	799
Other comprehensive income/(loss) attributable to non-controlling interests	195	95	(106)
Cash flow arising from operating activities	(564)	(1,480)	10,313
Cash flow arising from investing activities	600	1,500	(9,842)
Cash flow arising from financing activities	(114)	(34)	(339)
Change in cash and cash equivalents	(78)	(14)	132
Águas Azuis Construcao Naval Ltda.			
thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Non-current assets	8,376	10,236	10,651
Current assets	427,867	564,438	593,819
Total assets	436,243	574,674	604,470
Non-current liabilities	-	-	-
Current liabilities	424,963	539,875	559,678
Total liabilities	424,963	539,875	559,678
Net assets	11,280	34,799	44,792
Net assets attributable to non-controlling interests	2,820	8,700	11,198
Sales/(negative sales)	91,937	179,482	269,067
Net income/(loss)	7,554	23,162	15,416
Other comprehensive income/(loss)	1,119	1,477	(3,946)
Comprehensive income/(loss)	8,673	24,639	11,470
Net income/(loss) attributable to non-controlling interests	2,038	5,790	3,854
Other comprehensive income/(loss) attributable to non-controlling interests	268	90	(1,356)
Cash flow arising from operating activities	105,745	(47,340)	(19,466)
Cash flow arising from investing activities	(528)	(169)	(138)
Cash flow arising from financing activities	(1,098)	(1,053)	-
Change in cash and cash equivalents	104,119	(48,562)	(19,604)

Earnings per share

For the purpose of the Combined Financial Statements, TKMS Business has determined the currently planned number of ordinary shares (in total: 63,523,647 shares) as the basis for the calculation of earnings per share (“EPS”) according to IAS 33 *Earnings Per Share* for the periods presented. The spot number of ordinary shares has been used as a basis for calculation of EPS retrospectively for the periods presented, since the equity instruments of TKMS AG & Co. KGaA will be issued after the date of issuance of these financial statements.

Basic EPS is calculated by dividing the profit for the period attributable to TKMS Business as presented in the Combined Statements of Income by the currently planned number of ordinary shares of TKMS AG & Co. KGaA. Diluted EPS is calculated by dividing the profit for the period attributable to TKMS Business as presented in the Consolidated Statements of Income by the current number of ordinary shares of TKMS AG & Co. KGaA adjusted for the weighted average number of ordinary shares, which would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Currently, there are no instruments outstanding with a potential dilutive effect on the earnings per share. As the result, for the periods presented, the basic EPS corresponds to the diluted EPS.

12 Provisions for pension and similar obligations

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Accrued pension liability	339,409	324,423	349,835
Partial retirement	21,230	17,921	14,583
Other accrued pension-related obligations	2,291	2,249	2,084
Total	362,930	344,593	366,502

Accrued pension liability

The accrued pension liability relates to voluntary Group’s pensions through defined benefit (DB) plans existing in Germany.

The benefits under these plans are funded either by pension assets held separately from the employer (“plan assets”) or through pension provisions, with the amount of the provision stated on the balance sheet reflecting the value of the pension obligations already reduced by the respective plan assets. Reimbursement rights, which do not qualify as plan assets and are therefore presented as a separate asset, rather than as a deduction from the accrued pension liability, additionally exist in Germany.

In Germany, the Company offers retirement benefits via a multi-employer defined benefit plan operated by “Babcock Pensionskasse”. The plan is co-financed by employer and employee contributions and provides benefits in case of retirement, disability or death. All contributions paid to Babcock Pensionskasse are converted into an annuity payment. As the funding assets of Babcock Pensionskasse cannot individually be attributed to the different sponsors, the plan is accounted for as a defined contribution plan due to insufficient information. However, the legally required pension indexation is not expected to be covered by the pension fund but needs to be paid by the companies directly. Accordingly, the proportioned pension indexation share is accounted as defined benefit plans. The last pension fund promise was closed for new entries by the end of 2016 and replaced by a contribution-based pension plan with risk-optimized payout forms (lump sum, instalments, or life-long pension). Particularly for newly recruited professionals and managers, the “flex plan” was introduced on January 1, 2017. The “flex plan” is a share-based pension plan with a 1 % minimum interest per annum guaranteed by the employer.

Material risks associated with the different types of pension plans include all financial risks as well as risks in the areas of inflation and biometrics.

As the plans are based on salary with annual pension modules directly linked to current salaries (e.g., contribution-oriented plans), inflation risks which could lead to an increase in benefit obligations of DB plans exist. Therefore, an increase in salaries above the trend assumptions used in the valuation of the obligation would also require a direct increase in future service cost.

The pension plans in Germany paid as an annuity are required by law to provide a cost-of-living adjustment and may also be required under collective bargaining agreements or on a voluntary/discretionary basis. As such, further charges could result

from a cost-of-living adjustment in excess of current pension trend assumptions during the pension payment phase, which would lead to an immediate increase in the provisions.

Biometric risks can result either from early benefit claims (risk of sudden changes to the balance sheet after death or invalidity) or from underestimated life expectancies (longevity risk) and could likewise result in costs to the TKMS Business due to unexpected increases in provisions and early cash outflows.

Risks from changes to the discount rate are balance sheet-related and the provisions are adjusted directly against equity without affecting income or cash outflows.

Under the pension plans in Germany, individual beneficiaries are considered more than once in the employee count due to entitlements under different components of the pension systems. The breakdown of employees by total of pension plans is as follows:

	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Active employees	9,139	9,388	9,958
Terminated employees with vested benefits	1,962	2,037	2,068
Pensioners	8,037	7,687	7,380
Total	19,138	19,112	19,406

Changes in defined benefit obligations, plan assets, reimbursement rights and ceiled reimbursement rights

The reconciliation of the changes in the defined benefit obligations and the fair value of plan assets are as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Change in defined benefit obligations (DBO):			
DBO at the beginning of fiscal year	475,288	349,268	336,127
Service cost	13,344	8,076	8,277
Interest expense	4,176	12,485	13,574
Remeasurement: Actuarial (gains)/losses from experience adjustments	10,210	3,977	(62)
Remeasurement: Actuarial (gains)/losses from changes in demographic assumptions	0	0	0
Remeasurement: Actuarial (gains)/losses from changes in financial assumptions	(133,213)	(17,995)	27,263
Currency differences	0	0	0
Participant contributions	0	0	0
Benefit payments	(20,830)	(19,980)	(20,765)
Net transfers	293	296	236
Others	0	0	0
DBO at the end of fiscal year	349,268	336,127	364,650
Change in plan assets:			
Fair value of plan assets at the beginning of fiscal year	8,231	9,860	11,713
Interest income	76	369	494
Remeasurement: Actuarial gains/(losses) on plan assets, excluding amounts included in interest income	(385)	57	805
Currency differences	0	0	0
Employer contributions	2,057	1,672	1,914
Participant contributions	0	0	0
Benefit payments	(223)	(191)	(180)
Net transfers	104	(54)	70
Administration cost	0	0	0
Others	0	0	0
Fair value of plan assets at the end of fiscal year	9,860	11,713	14,816
Change in reimbursement rights:			
Fair value of reimbursement rights at the beginning of fiscal year	0	0	0
Interest income	0	0	0

Remeasurement: Actuarial gains/(losses) on reimbursement rights, excluding amounts included in interest income	0	0	0
Employer contributions	0	0	0
Fair value of reimbursement rights at the end of fiscal year	0	0	0
Change in ceiled reimbursement rights:			
Fair value of ceiling of reimbursement rights at the beginning of fiscal year	0	0	8,352
Reduction of Interest income because of reimbursement right ceiling	0	0	351
Remeasurement: Actuarial gains/(losses) on ceiled reimbursement rights, excluding amounts included in reduction of interest income	0	8,352	(8,703)
Fair value of ceiled reimbursement rights at the end of fiscal year	0	8,352	0
Net amounts:	0	0	0
Reimbursement right after ceiling at the end of fiscal year	0	0	0

As of September 30, 2024, defined benefit obligations of €364,650 thousand (September 30, 2023 €336,127 thousand, September 30, 2022: €349,268 thousand) related to plans that are wholly unfunded, in the amount of €289,689 thousand (September 30, 2023: €272,484 thousand, September 30, 2022: €287,487 thousand), to plans that are wholly or partly funded in the amount of €74,961 thousand (September 30, 2023: €63,642 thousand, September 30, 2022: €61,782 thousand).

Changes of net defined asset and liability

The net assets/liabilities of defined benefit plans changed as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Net defined benefit liability at the beginning of fiscal year	467,056	339,408	324,422
Service cost plus net interest (income)/expense	17,444	20,191	21,357
Remeasurements	(122,618)	(14,065)	26,387
Currency differences	0	0	0
Employer contributions	(2,057)	(1,672)	(1,914)
Participant contributions	0	0	2
Benefit payments	(20,607)	(19,789)	(20,585)
Net transfers	189	350	167
Administration cost	0	0	0
Other	0	0	0
Net defined benefit liability at end of fiscal year	339,408	324,422	349,836
thereof: accrued pension liability	349,268	336,127	364,650
thereof: other non-financial assets	9,860	11,713	14,816

Net periodic pension costs

The net periodic pension costs for defined benefit plans were as follows:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Service cost	13,344	8,076	8,277
Net interest cost	4,251	12,854	14,068
Administration cost	0	0	0
Net periodic pension cost	17,596	20,929	22,345

Sensitivity analysis and underlying assumptions

The Group applied the following weighted-average assumptions to determine benefit obligation:

in %	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Discount rate	3.70	4.20	3.40
Rate of compensation increase	3.00	3.00	3.00
Rate of pension progression	2.20	2.20	2.10

The assumptions for discount rates, rates of compensation increase, and the rate of pension progression on which the calculation of the obligations is based were derived in accordance with standard principles and established based on their respective economic conditions. Discount rates are generally determined based on market yields of AA-rated corporate bonds of appropriate term and currency.

The decrease in rate of pension progression in Germany is due to the decreased inflation expectations for Germany.

Accrued pension obligations in Germany are recognized on the basis of the “2018 G tables” of Prof. Dr. Klaus Heubeck, adapted to group-specific circumstances.

Alternative assumptions would result in the following changes in the defined benefit obligation and the corresponding reverse changes in equity.

The table shows the effects of the change in one assumption with all other assumptions remaining unchanged for plans in Germany:

thousand €		Increase/(decrease) in defined benefit obligation for plans in Germany		
		Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Discount rate	Increase by 0.5 percentage points	(19,627)	(17,955)	(20,509)
	Decrease by 0.5 percentage points	19,627	17,955	20,509
Rate of compensation increase	Increase by 0.5 percentage points	438	396	431
	Decrease by 0.5 percentage points	(438)	(396)	(431)
Rate of pension progression increase	Increase by 0.25 percentage points	5,335	4,971	5,233
	Decrease by 0.25 percentage points	(5,335)	(4,971)	(5,233)
Mortality probability	Decrease by 10.0 percentage points	10,301	9,840	10,624

To test the sensitivity of the defined benefit obligation due to a change in the mortality and life expectancy assumptions, an alternative analysis was carried out using of 10 % lower mortality probabilities from retirement age. For beneficiaries currently aged 63 to 65, this roughly corresponds to a one-year increase in life expectancy on entering retirement.

Plan assets

The Group invests in diversified portfolios consisting of an array of asset classes that attempt to maximize returns while minimizing volatility. The Group’s reported plan assets associated with the funded pension plans are located in Germany. The asset classes mainly include investments in insurance contracts and pension trust fund. Plan assets do not include any direct investments in Group’s debt securities, treasury shares or real estate used on its own.

The Group uses professional investment managers to invest plan assets based on specific investment guidelines. The Investment Committees of the respective plan consist of senior financial management especially from treasury and other appropriate executives. The Investment Committees meet regularly to review the risks and performance of the major assets and approve the selection and retention of external managers.

For the Group's main pension assets, asset liability studies are also regularly carried out, as part of which actuaries conduct a detailed analysis of the structure of the pension obligations (specifically focusing on age structure, duration, possible interest rate/inflation risks etc.). The investment strategy and target portfolio of the pension assets are then defined and updated as a result of these studies. For risk management purposes, liability-driven investment strategies may be used through which assets are geared towards the pension liabilities.

The processes established for managing and monitoring the plan assets as described above are used to counteract the common risks associated with capital market investment - counterparty, liquidity/market and other risks.

As of the balance sheet dates, the portfolio of these major plan assets comprises the following asset categories:

As of Sept. 30, 2022		Fair value (thousand €)		
Asset categories	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)
Equity securities	5,047	5,047		51%
Bonds	3,184	2,070	1,114	32%
Others	1,629		1,629	17%
Total	9,860	7,117	2,743	100%

As of Sept. 30, 2023		Fair value (thousand €)		
Asset categories	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)
Equity securities	4,860	4,860		42%
Bonds	5,283	3,434	1,849	45%
Others	1,569		1,569	13%
Total	11,712	8,294	3,418	100%

As of Sept. 30, 2024		Fair value (thousand €)		
Asset categories	Total	Quoted market price in an active market	No quoted market price in an active market	Portion of major plan assets (in %)
Equity securities	7,952	7,952		54%
Bonds	5,356	3,481	1,875	36%
Others	1,509		1,509	10%
Total	14,817	11,433	3,384	100%

The asset category "Others" relates to investments in insurance contracts and pension trust funds in Germany.

In general, the Group's funding policy is to contribute amounts to the plans sufficient to meet the minimum statutory funding requirements relevant in the country in which the plan is located. The Group may from time to time make additional contributions at its own discretion. The Group's expected contribution in fiscal year 2024/2025 is €1,921 thousand (fiscal year 2023/2024: €1,688 thousand, fiscal year 2022/2023: €2,017 thousand) related to its plan assets.

Pension benefit payments

In fiscal year 2023/2024, pension benefit payments for plans in Germany comprised €20,945 thousand (fiscal year 2022/2023: €20,171 thousand, fiscal year 2021/2022: €21,052 thousand) and were made mainly from provisions in an amount of €20,765 thousand (fiscal year 2022/2023: €19,980 thousand, fiscal year 2021/2022: €20,830 thousand). In fiscal year 2023/2024, pension benefits payments of €180 thousand (fiscal year 2022/2023: €191 thousand, fiscal year 2021/2022: €223 thousand) were made mainly from plan assets.

The estimated future pension benefits to be paid by the Group's defined benefit pension plans are as follows:

For fiscal year	thousand €
2024/2025	25,163
2025/2026	24,062
2026/2027	25,388
2027/2028	23,795
2028/2029	23,075
2029/2030 – 2032/2033	110,388
Total	231,871

As of September 2024, the duration of defined benefit plans amounts to 11,2 years for Germany (2023: 10,7 years, 2022: 11,2 years).

Defined contribution plans

The Group maintains defined contribution plan in Germany, South Korea and the United Kingdom. In fiscal year 2023/2024, €7,507 thousand (fiscal year 2022/2023: €6,258 thousand, fiscal year 2021/2022: €5,539 thousand,) were charged to the Combined Statement of Income as contributions to defined contribution plans.

The Group's contribution to the multi-employer defined benefit pension plans in Germany ("Pensionskassen"), which are accounted as defined contribution plans, amounted to €477 thousand in 2023/2024 (2022/2023: €514 thousand 2021/2022: €530 thousand, 2020/2021: €561 thousand) and are expected to be at €400 thousands for 2024/2025. The total amount of contributions received by "Pensionskassen" from all sponsoring employers was €3,300 thousands in calendar year 2024, €3,500 thousands in calendar year 2023 and €3,800 thousands in calendar year 2022). Correspondingly, the Group's contributions reflect a proportioned share of the overall pension fund contributions of approximately 14%. Potential costs associated with the termination of the plans implemented through the "Pensionskassen" would not be material to the Group.

Defined contribution plans are regularly funded through mandatory or voluntary contributions (statutory/contractual) by the employer and/or employee. The contributions are transferred to an entity which is legally separate from the employer. Under this form of plan, the employer has no risks beyond the payment of contributions. The contributions are reported under personnel expenses.

Partial retirement

In fiscal years 2021/2022, 2022/2023 and 2023/2024, the TKMS Business accrued obligations resulting from partial retirement agreements. Under these agreements, employees work additional time prior to retirement, which is subsequently paid for in instalments after retirement. In addition, employees receive a supplement on top of their pay. For these obligations, accruals were recognized in accordance with IAS 19 "Employee Benefits".

Other accrued pension-related obligations

Other accrued pension-related obligations mainly include provision for TKMS Business's pension adjustment ("Betriebsrentenanpassung") in Germany (September 30, 2024: €1,739 thousand, September 30, 2023: €1,891 thousand, September 30, 2022: €1,815 thousand) and provisions for early retirement payment for employees in Germany (September 30, 2024: €14,583 thousand, September 30, 2023: €17,921 thousand, September 30, 2022: €21,230 thousand).

13 Other provisions

thousand €	Employee benefits	Product warranties and subsequent project related costs and risks	Onerous contracts provisions	Litigation	Restructuring	Others	Total
Balance as of Oct. 1, 2021	41,045	260,675	112,791	9,245	1,748	52,692	478,196
<i>Thereof: non-current</i>	13,823	-	-	-	270	801	14,894
Currency differences	82	30	(58)	-	-	1,411	1,465
Additions	30,253	97,616	11,185	4,960	1,845	4,885	150,744
Utilization	(30,132)	(42,206)	(19,056)	(7,706)	(1,886)	(4,732)	(105,718)
Reversal	(2,506)	(88,159)	(19,501)	(220)	(578)	6,004	(104,960)
Transfers	-	-	-	-	-	12,857	12,857
Accretion	115	-	-	-	-	-	115
Others	-	-	-	-	-	-	-
Balance as of Sept. 30, 2022	38,857	227,955	85,362	6,279	1,129	73,117	432,699
<i>Thereof: non-current</i>	10,811	-	-	-	-	751	11,562
Currency differences	7	7	27	-	-	(61)	(20)
Additions	31,034	80,913	43,241	3,751	2,927	(15,828)	146,038
Utilization	(28,463)	(35,832)	(34,110)	(7,894)	(1,368)	(31,940)	(139,607)
Reversal	(7)	(55,920)	(2,731)	(60)	-	(11,382)	(70,100)
Transfers	-	-	-	-	-	(4,627)	(4,627)
Accretion	386	-	-	-	-	5	391
Others	-	-	-	-	-	28,700	28,700
Balance as of Sept. 30, 2023	41,814	217,123	91,790	2,076	2,687	37,983	393,473
<i>Thereof: non-current</i>	11,872	-	-	-	-	5,685	17,557
Currency differences	(192)	101	20	(7)	-	(115)	(193)
Additions	37,266	36,384	85,800	3,140	115	5,894	168,599
Utilization	(29,293)	(5,162)	(59,923)	(2,648)	(495)	(3,026)	(100,547)
Reversal	(1,190)	(12,004)	(27,825)	(302)	-	(1,172)	(42,493)
Transfers	-	-	-	-	-	2,740	2,740
Accretion	435	-	-	-	-	17	452
Others	-	(13,500)	-	-	-	-	(13,500)
Balance as of Sept. 30, 2024	48,840	222,941	89,861	2,260	2,307	42,322	408,531
<i>Thereof: non-current</i>	12,182	-	-	-	-	5,609	17,791

The current provisions of €11,269 thousand (September 30, 2023: €10,529 thousand, September 30, 2022: €9,928 thousand) are expected to be settled in more than one year.

Employee benefits

Management Incentive Plans

Provisions relating to management incentive plans reflected in provisions for employee benefits amount to €1,052 thousand as of September 30, 2024 (September 30, 2023: €1,354 thousand, September 30, 2022: €642 thousand). For details regarding management incentive plans reference is made to Note 29.

Other employee benefits

The remaining balance included in provisions for employee compensation and benefit costs primarily represent employment anniversary bonuses. Pension related obligations for partial retirement agreements and early retirement programs are part of the provision for pensions and similar obligations (cf. Note 12).

Onerous contracts provisions

Provisions for onerous contracts represent pending losses from uncompleted customer contracts. These provisions are planned to unwind after the planned delivery of the projects.

Product warranties and subsequent construction costs and risks from operations

The product warranties provisions reflect the Group's responsibility for the proper functioning of the goods sold (product warranty) as well as obligations that arise from the use of the products sold (product defect) and provisions for risks from operations, such as those in connection with compensation from customer claims that are not warranties (cf. Note 19). The amount of the provisions is established on a case-by-case basis. In the context of the measurement of warranty provisions, the Group takes into account experience related to actual warranty claims as well as technical information concerning product deficiencies discovered. The Group expects to settle the majority of the product warranties provision over the guarantee terms. Product warranties and subsequent project related costs and risks contain an estimate of subsequent, uncertain construction costs in the amount of €115,240 thousand as of September 30, 2024 (September 30, 2023: €129,157 thousand, September 30, 2022: €142,292 thousand).

Litigation

The risks arising from cost for litigation cases is estimated to be €2,260 thousand on September 30, 2024 (September 30, 2023: €2,076 thousand, September 30, 2022: €6,279 thousand) in parts connected to certain contingencies (cf. Note 19). The outcome as well as the timing of any outflow of litigation cases is by nature uncertain and therefore represents a risk. There is a reasonable probability that individual cases can last longer than expected or could be decided against the Group. Identifiable risks have been adequately covered by recognizing appropriate provisions.

Restructuring provisions

Restructuring costs consist of employee termination benefits and exit costs in connection with activities which do not generate any future economic benefits for the Group. Restructurings are being carried out mainly due to the transformation of the operations area.

14 Trade accounts payable

Trade accounts payable are driven by the Group's project business. The volatility over time is mainly caused by the nature and status of various projects.

As of September 30, 2024, trade accounts payable in the amount of €5,072 thousand (September 30, 2023: €8,357 thousand, September 30, 2022: €4,096 thousand) have a remaining term of more than one year.

15 Other financial liabilities

In the following the current other financial liabilities are presented:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Payables to tk Group	93,688	95,646	78,513
Embedded derivatives (cf. Note 20)	34,675	43,416	32,588
Payables from purchase of property, plant, equipment	16,115	16,286	3,741
Derivatives not qualifying for hedge accounting	2,046	1,848	2,211
Derivatives qualifying for hedge accounting	502	480	712
Miscellaneous other financial liabilities	42,826	32,783	19,620
Total	189,852	190,459	137,385

For more details on payables to tk Group refer to Note 21.

Miscellaneous other financial liabilities are mainly linked to payments related to costs to obtain a contract.

There were financial liabilities with a remaining term of more than one year as of September 30, 2024 in the amount of €14,556 thousand (September 30, 2023: €16,305 thousand, September 30, 2022: €31,827 thousand).

16 Other non-financial liabilities

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Accruals relating to subsequent production costs of orders	80,400	75,209	83,718
Liabilities to employees	46,360	53,105	64,034
Tax liabilities (without income taxes)	13,921	27,751	36,917
Miscellaneous other non-financial liabilities	16,784	16,382	31,492
Total	157,465	172,447	216,161

Accruals relating to subsequent production costs comprise obligations for goods or services received from suppliers that had not yet been invoiced, or for which invoices remained outstanding, as of the reporting date.

Liabilities to employees relate to wage, salary and remuneration. Miscellaneous other non-financial liabilities contain other deferred income, liabilities from wage taxes and further other liabilities. Pension obligations are also partially included in other non-financial liabilities, as some employees' pensions earned were transferred to a prior owner of a group company, but the pension payments will be reimbursed by the Group.

17 Leases

Group as a lessee

The Group is primarily a lessee of buildings as well as other equipment, factory and office equipment.

The following right-of-use assets are recognized under property, plant and equipment:

thousand €	Land and buildings	Technical machinery, equipment	Other equipment, factory and office equipment	Investment properties	Total
Gross amounts					
Balance as of Oct. 1, 2021	47,690	1,147	3,273	-	52,110
Currency differences	434	1	(5)	-	430
Additions	2,961	588	1,099	-	4,647
Transfers	(1,695)	-	(5)	-	(1,700)
Disposals	(953)	-	(52)	-	(1,005)
Mergers	458	-	-	-	458
Balance as of Sept. 30, 2022	48,895	1,736	4,310	-	54,940

Currency differences	(404)	-	(96)	(1)	(501)
Additions	3,138	-	1,800	63	5,001
Transfers	(391)	-	(310)	-	(701)
Disposals	(152)	-	(173)	-	(325)
Mergers	-	-	-	-	-
Balance as of Sept. 30, 2023	51,086	1,736	5,531	62	58,414
Currency differences	(191)	-	(82)	1	(272)
Additions	6,107	11,260	1,563	167	19,097
Transfers	(120)	(11,114)	(5)	(167)	(11,406)
Disposals	(1,146)	(449)	(562)	-	(2,157)
Mergers	-	-	-	-	-
Balance as of Sept. 30, 2024	55,735	1,433	6,444	64	63,676
Accumulated depreciation and impairment losses					
Balance as of Oct. 1, 2021	12,064	419	1,688	-	14,171
Currency differences	198	-	(5)	-	193
Depreciation expense	6,188	311	1,229	-	7,728
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	(965)	-	(3)	-	(968)
Disposals	-	-	-	-	-
Mergers	38	-	-	-	38
Balance as of Sept. 30, 2022	17,523	730	2,909	-	21,162
Currency differences	(206)	-	(52)	-	(258)
Depreciation expense	6,319	295	1,145	4	7,763
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	(346)	-	(270)	-	(616)
Disposals	-	-	(94)	-	(94)
Mergers	-	-	-	-	-
Balance as of Sept. 30, 2023	23,290	1,025	3,638	4	27,957
Currency differences	(102)	(2)	(38)	-	(142)
Depreciation expense	6,098	460	1,262	20	7,840
Impairment losses	-	-	-	-	-
Reversals of impairment losses	-	-	-	-	-
Transfers	(246)	(282)	(1)	-	(529)
Disposals	(1,097)	(449)	(371)	-	(1,917)
Mergers	-	-	-	-	-
Balance as of Sept. 30, 2024	27,943	752	4,490	24	33,209
Net amounts					
Balance as of Oct. 1, 2021	35,626	728	1,585	-	37,939
Balance as of Sept. 30, 2022	31,372	1,006	1,401	-	33,778
Balance as of Sept. 30, 2023	27,796	711	1,893	58	30,457
Balance as of Sept. 30, 2024	27,792	681	1,954	40	30,467

The resulting lease liabilities are reported in the Combined Statement of Financial Position of the Group.

Further details of lease liabilities are given in Note 20.

The following table presents income and expenses resulting from leases:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Expense from short-term leases	379	287	323
Expense from leases for low-value assets	16	93	234
Depreciation and amortization expense	7,728	7,763	7,840
Interest expense from lease liabilities	1,233	1,276	1,421
Expenses from off-balance variable lease payments	111	114	128
Total amount recognized in profit & loss	9,467	9,533	9,946

No income was recognized from sublease contracts or the gain or loss from sale and lease back transactions as such contracts do not exist at TKMS Business.

The Group prolonged existing lease contracts and signed new lease contracts during the fiscal year 2023/2024 whereof not all yet commenced as of the balance sheet date September 30, 2024. These new lease contracts, which not yet commenced, will result in a future cash outflow of €1,502 thousand within the next ten years after commencement date.

Group as a lessor

The following table illustrates the operating leases for the Group's shipyard facilities in Wismar, detailing the asset values for land, factory, technical equipment, and office equipment. These leases have remaining terms of one year. Additionally, the table includes recognized rental income from leasing office facilities.

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Land	-	20,633	20,633
Factory	-	5,938	5,556
Technical equipment	-	10,592	9,390
Office equipment	-	1,969	2,250
Total operating lease assets	-	39,132	37,829
Office facilities rental income	2,827	6,896	11,490

Future minimum rental payments under operating leases as of September 30, are as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Within one year	6,896	11,026	6,527
Between 1 and 2 years	11,026	6,527	-
Between 2 and 3 years	6,527	-	-
Between 3 and 4 years	-	-	-
Between 4 and 5 years	-	-	-
More than 5 years	-	-	-

18 Investments accounted for using the equity-method

Investments accounted for using the equity-method comprise of joint ventures and investments in associated companies.

Joint Ventures

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
As of Oct. 1	125	435	2,206
Additions	6,615	-	-
Impairment	(6,525)	-	-
Disposals	-	-	-
Dividends paid	-	-	-
Share of income	221	1,771	1,962
As of Sept. 30	435	2,206	4,168

A significant joint venture of TKMS Business is KTA Naval Systems AS, Kongsberg, Norway. The company is jointly controlled by Kongsberg Defense & Aerospace, Kongsberg, Norway, and TKMS GmbH, Kiel, Germany, which holds 16,67 % of the voting rights and TKMS ATLAS ELEKTRONIK GmbH, Bremen, Germany, which holds 33,33 % of the voting rights. The key business purpose of the company is to develop, produce and maintain as an exclusive supplier all combat systems for submarines for TKMS Business.

KTA Naval Systems AS is a private entity that is not listed on any public exchange. The Group's interest in KTA Naval Systems AS is accounted for using the equity method in the Combined Financial Statements.

Financial information on the main investments accounted for using the equity-method:

thousand €	KTA Naval Systems AS		
	Year ended Sept. 30, 2022 ¹⁾	Year ended Sept. 30, 2023 ²⁾	Year ended Sept. 30, 2024 ³⁾
Total non-current assets	43	2,664	2,203
Total current assets	75,006	69,754	69,489
thereof: cash and cash equivalents	2,787	11,679	21,623
Total non-current liabilities	247	272	279
thereof: non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-
Total current liabilities	74,180	67,980	63,245
thereof: current financial liabilities (excluding trade and other payables and provisions)	73,811	64,690	62,201
Net assets	622	4,166	8,168
Sales	56,136	76,567	82,010
Depreciation and amortization	16	16	18
Interest income	239	650	126
Interest expense	211	877	4
Income tax (expense) or income	-	2,637	455
Income/(loss) from continuing operations (net of tax)	160	3,543	4,003
Income/(loss) from discontinued operations (net of tax)	-	-	-
Net income/(loss)	160	3,543	4,003
Other comprehensive income	-	-	-
Total comprehensive income	160	3,543	4,003
Dividends received by the Group	-	-	-

1) Amounts primarily based on interim Financial Statements as of August 31, 2022, as a financial reporting as of a later date would incur disproportionately high costs.

2) Amounts primarily based on interim Financial Statements as of August 31, 2023, as a financial reporting as of a later date would incur disproportionately high costs.

3) Amounts primarily based on interim Financial Statements as of August 31, 2024, as a financial reporting as of a later date would incur disproportionately high costs.

The following table shows the reconciliation to book value included in the balance sheet of the Group:

thousand €	Year ended Sept. 30, 2022 ¹⁾	Year ended Sept. 30, 2023 ²⁾	Year ended Sept. 30, 2024 ³⁾
Net assets as of Oct. 1	(12,657)	622	4,166
Net income/(loss)	160	3,543	4,003
Capital Increase	13,120	-	-
Net assets as of Sept. 30	622	4,166	8,168
Proportion of net assets as of Sept. 30 attributable to TKMS Business	311	2,082	4,084
Carrying amount as of Sept. 30	311	2,082	4,084

1) Amounts primarily based on interim Financial Statements as of August 31, 2022, as a financial reporting as of a later date would incur disproportionately high costs.

2) Amounts primarily based on interim Financial Statements as of August 31, 2023, as a financial reporting as of a later date would incur disproportionately high costs.

3) Amounts primarily based on interim Financial Statements as of August 31, 2024, as a financial reporting as of a later date would incur disproportionately high costs.

The joint venture had no contingent liabilities or commitments as of September 30, 2024, September 30, 2023, and September 30, 2022.

Associated Companies

Summarized financial information of the immaterial investments in associated companies accounted for using the equity method at the respective balance sheet date is presented in the table below. The information given represents the Group's interest.

SUMMARIZED FINANCIAL INFORMATION OF IMMATERIAL INVESTMENTS IN ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD

thousand €	Year ended Sept, 30, 2022	Year ended Sept, 30, 2023	Year ended Sept, 30, 2024
Carrying amount as of Oct. 1	3,642	3,032	2,824
Share of			
Income/(loss) from continuing operations (net of tax)	140	(208)	381
Other comprehensive income	-	-	-
Dividends	-	-	(1,124)
Other changes	(749)	-	-
Carrying amount as of Sept. 30	3,032	2,824	2,081

19 Contingencies and commitments

Bank guarantees issued to the Group's customers on behalf of TKMS Business to guarantee fulfilment of its obligations from specific projects in the amount of €1,220,878 thousand as of September 30, 2024 (September 30, 2023: €1,226,893 thousand, September 30, 2022: €1,425,308 thousand).

The Group has contingencies for the following material legal disputes:

The Republic of Korea is claiming damages in the amount of €201 million from TKMS GmbH in arbitration proceedings before the ICC for delayed delivery of submarines built by Korean shipyards using material packages from TKMS Business and supplied to the Republic of Korea. As the material packages were delivered to the shipyards on time, TKMS Business believes responsibility lies with the Korean shipyards, which were under a construction and delivery obligation to the Republic of Korea under their own bilateral contracts. The Republic of Korea is asserting claims against the shipyards in separate proceedings. In September 2024, the arbitration tribunal confirmed TKMS Business's legal opinion on the interpretation of the contract for the entire contractual relationship in a partial award and rejected all liquidated damages claims by the Republic of Korea for the boat 427 in dispute. The proceedings regarding the other four boats are still pending.

In connection with the above matter, the company has recognized provisions to cover the associated risks, measured in accordance with management's best estimate of the expenditure required to settle the obligation.

In connection with the majority interest previously held by thyssenkrupp Industrial Solutions AG in the Greek shipyard Hellenic Shipyards and the construction of submarines for the Greek Navy, the Greek government has filed legal and arbitration actions to claim compensation of €2.2 billion from thyssenkrupp Industrial Solutions AG and TKMS GmbH as well as from Hellenic Shipyards and the current majority shareholder of Hellenic Shipyards. To date the Greek government has only concretized the receivables to a minor extent, relating exclusively to its contract with Hellenic Shipyards. The claims asserted against the thyssenkrupp companies appear unfounded. All contractual obligations of thyssenkrupp Marine Systems and other thyssenkrupp companies vis-à-vis the Greek government have been fulfilled since 2010. The arbitration court dismissed the claims against the TKMS GmbH in a partial ruling in September 2023. The Greek government has not appealed this partial ruling and the deadline for appeal has now passed. The arbitration proceedings in this matter therefore now only relate to claims against the other defendants. The thyssenkrupp companies are still formally party to the proceedings only because a decision on the allocation of the legal costs will only be taken uniformly at the end of the proceedings. As a result, the proceedings no longer meet the criteria for contingencies that have to be specified individually and will consequently not be included in future reporting.

Predicting the progress and results of lawsuits involves considerable difficulties and uncertainties. This means that lawsuits, official investigations and proceedings as well as claims not disclosed separately could also individually or together with other legal disputes, official investigations and proceedings as well as claims have a negative and also potentially major future impact on the Group's net assets, financial position and results of operations.

The Group did not have any other commitments and contingencies as of September 30, 2024, 2023 and 2022.

20 Financial instruments

Financial instruments by category

The following table shows the carrying amounts, measurement categories under IFRS 9 and fair values of financial assets and liabilities by classes. Lease liabilities, contract assets and derivatives that qualify for hedge accounting are also included although they are not considered a IFRS 9 measurement category.

thousand €	Measurement category in accordance with IFRS 9			Measurement in accordance with IFRS 16/IFRS 15	
	Carried at amortized cost	Carried at fair value		Carrying amount	Carrying amount in the statement of financial position as of Sept. 30, 2022
	Carrying amount	Fair value recognized in profit or loss	Fair value in equity (with recycling)		
Trade accounts receivable	267,571				267,571
Contract assets				485,320	485,320
Other financial assets	1,204,284	4,154	129	-	1,208,567
Receivables from cash pooling arrangements with tk Group (cf. Note 21)	1,144,781				1,144,781
Miscellaneous other financial assets	59,503				59,503
Derivatives not qualifying for hedge accounting		4,154			4,154
Derivatives qualifying for hedge accounting			129		129
Cash and cash equivalents	265,362				265,362
Total of financial assets	1,737,217	4,154	129	485,320	2,226,820
Lease liabilities				35,013	35,013

Trade accounts payable	247,944				247,944
Other financial liabilities	152,630	36,721	502	-	189,853
Miscellaneous other financial liabilities	152,630				152,630
Embedded derivatives		34,675			34,675
Derivatives not qualifying for hedge accounting		2,046			2,046
Derivatives qualifying for hedge accounting			502		502
Total of financial liabilities	400,574	36,721	502	35,013	472,810

		Measurement category in accordance with IFRS 9		Measurement in accordance with IFRS 16/IFRS 15	
		Carried at amortized cost		Carried at fair value	
thousand €	Carrying amount	Fair value recognized in profit or loss	Fair value in equity (with recycling)	Carrying amount	Carrying amount in the statement of financial position as of Sept. 30, 2023
Trade accounts receivable	206,530				206,530
Contract assets				458,944	458,944
Other financial assets	1,560,555	2,874	61	-	1,563,490
Receivables from cash pooling arrangements with tk Group (cf. Note 21)	1,429,070				1,429,070
Miscellaneous other financial assets	131,485				131,485
Embedded derivatives		929			929
Derivatives not qualifying for hedge accounting		1,945			1,945
Derivatives qualifying for hedge accounting			61		61
Cash and cash equivalents	150,914				150,914
Total of financial assets	1,917,999	2,874	61	458,944	2,379,878
Lease liabilities				31,743	31,743
Trade accounts payable	374,213				374,213
Other financial liabilities	144,715	45,264	480	-	190,459
Miscellaneous other financial liabilities	144,715				144,715
Embedded derivatives		43,416			43,416
Derivatives not qualifying for hedge accounting		1,848			1,848
Derivatives qualifying for hedge accounting			480		480
Total of financial liabilities	518,928	45,264	480	31,743	596,415

		Measurement category in accordance with IFRS 9		Measurement in accordance with IFRS 16/IFRS 15	
		Carried at amortized cost		Carried at fair value	
thousand €	Carrying amount	Fair value recognized in profit or loss	Fair value in equity (with recycling)	Carrying amount	Carrying amount in the statement of financial position as of Sept. 30, 2024

Trade accounts receivable	281,019				281,019
Contract assets				401,349	401,349
Other financial assets	1,358,785	1,851	7	-	1,360,643
Receivables from cash pooling arrangements with tk Group (cf. Note 21)	1,165,590				1,165,590
Miscellaneous other financial assets	193,195				193,195
Embedded derivatives		834			834
Derivatives not qualifying for hedge accounting		1,017			1,017
Derivatives qualifying for hedge accounting			7		7
Cash and cash equivalents	122,037				122,037
Total of financial assets	1,761,841	1,851	7	401,349	2,165,048
Lease liabilities				32,740	32,740
Trade accounts payable	411,395				411,395
Other financial liabilities	101,874	34,799	712	-	137,385
Miscellaneous other financial liabilities	101,874				101,874
Embedded derivatives		32,588			32,588
Derivatives not qualifying for hedge accounting		2,211			2,211
Derivatives qualifying for hedge accounting			712		712
Total of financial liabilities	513,269	34,799	712	32,740	581,520

The carrying amounts of trade accounts receivable measured at amortized cost, other current and non-current receivables as well as cash, cash equivalents equal their fair values due to the short remaining terms.

The fair value of foreign currency forward transactions, including the embedded derivatives, is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, adjusted for any forward premiums or discounts arising for the remaining contract term compared to the contracted forward exchange rate.

The carrying amounts of trade accounts payable and other current and non-current liabilities are equal to their fair values as they are considered short-term in nature.

Financial assets and liabilities measured at fair value can be categorized in the following three-level fair value hierarchy:

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2022				
thousand €	Sept. 30, 2022	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	4,154		4,154	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	129		129	
Embedded derivatives	-		-	
Total	4,283	-	4,283	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	2,046		2,046	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	502		502	
Embedded derivatives	34,675		34,675	
Total	37,223	-	37,223	-

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2023				
thousand €	Sept. 30, 2023	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	1,945		1,945	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	61		61	
Embedded derivatives	929		929	
Total	2,935	-	2,935	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	1,848		1,848	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	480		480	
Embedded derivatives	43,416		43,416	
Total	45,744	-	45,744	-

FAIR VALUE HIERARCHY AS OF SEPT. 30, 2024				
thousand €	Sept. 30, 2024	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	1,017		1,017	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	7		7	
Embedded derivatives	834		834	
Total	1,858	-	1,858	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	2,211		2,211	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	712		712	
Embedded derivatives	32,588		32,588	
Total	35,511	-	35,511	-

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with a fair value measurement based on quoted prices in active markets are disclosed in level 1. In level 2, determination of fair values is based on observable inputs, e.g., foreign exchange rates. Level 3 is comprised of financial instruments for which a fair value measurement is based on unobservable inputs using recognized valuation models.

In the reporting year there were no reclassifications between level 1 and level 2.

Netting of financial assets and financial liabilities

A financial asset and a financial liability can be offset and presented as a net amount in the statement of financial position only if the entity has a legally enforceable right to offset the recognized amounts and intends to either settle them on a net basis or realize the asset and settle the liability at the same time.

In general, master netting arrangements exist only for foreign-currency derivative financial instruments that however totally or partially do not meet the offsetting criteria under IAS 32.

In these cases, a right of offsetting is enforceable only on termination of the contract on the grounds of a major breach of contract or insolvency of one of the contractual parties. As of September 30, 2024, potential offsetting exists in the amount of €1,025 thousand (September 30, 2023: €2,006 thousand, September 30, 2022: €2,548 thousand) based on the gross

amounts of the financial assets as of September 30, 2024 €1,025 thousand (September 30, 2023: €2,006 thousand, September 30, 2022: €4,283 thousand) and financial liabilities as of September 30, 2024 €2,211 thousand (September 30, 2023: €2,328 thousand, September 30, 2022: €2,548 thousand).

Net result from financial instruments

The following tables show net result from financial instruments by measurement categories under IFRS 9:

NET RESULT FROM FINANCIAL INSTRUMENTS			
thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Financial (assets) at amortized cost	(16,427)	(56,862)	(68,770)
Financial (assets) / liabilities at fair value recognized in equity (with recycling)	-	-	-
Financial (assets) / liabilities at fair value recognized in profit or loss	(3,101)	2,005	1,218
Financial liabilities at amortized cost	4,617	12,464	6,053

Net losses under “Financial assets at amortized cost” mainly comprise interest income on financial receivables, allowances for trade accounts receivable as well as gains and losses on foreign currency receivables.

The category “Financial assets/liabilities at fair value recognized in equity (with recycling)” includes impairment losses on trade accounts receivable as well as results from the sale of receivables.

Gains and losses arising from changes in fair value of foreign currency and derivatives that do not comply with the hedge accounting requirements under IFRS 9 are included in the category “Financial assets/liabilities at fair value through profit and loss.”

The category “Financial liabilities at amortized cost” mainly comprises interest expenses on financial liabilities as well as gains and losses on foreign currency liabilities.

As of September 30, 2024, the net result includes exchange differences of €1,462 thousand (September 30, 2023: €-535 thousand, September 30, 2022: €209 thousand).

Impairment of financial assets

For financial assets measured at amortized cost, an impairment loss is recognized for expected losses included in selling expenses.

The impairment losses on trade accounts receivable recognized at amortized cost and contract assets are as follows:

IMPAIRMENT OF TRADE ACCOUNTS RECEIVABLE RECOGNIZED AT AMORTIZED COST AS WELL AS CONTRACT ASSETS			
thousand €	Expected credit loss	Expected credit loss (individual identification)	Total of impairments
Balance as of Oct. 1, 2021	2,359	21,157	23,516
Currency differences	20	-	20
Additions	752	-	752
Amounts utilized	(128)	634	506
Reversals	-	(1,586)	(1,586)
Balance as of Sept. 30, 2022	3,003	20,205	23,208
Currency differences	(15)	-	(15)
Additions	6,627	-	6,627
Amounts utilized	(460)	(1,687)	(2,147)
Reversals	-	-	-
Balance as of Sept. 30, 2023	9,155	18,518	27,673
Currency differences	(5)	5	-
Additions	945	1,738	2,683
Amounts utilized	(374)	(282)	(656)

Reversals	-	(675)	(675)
Balance as of Sept. 30, 2024	9,721	19,304	29,025

In the Group's leading valuation model, the expected default rates are mainly derived from external credit information and ratings for each counterparty, which allows more accurate calculation of the probability of default compared with the formation of rating classes. The customer risk numbers assigned by trade credit insurers and the creditworthiness information provided by credit agencies are translated into an individual probability of default per customer using a central allocation system. This individual probability of default per customer is used uniformly throughout the TKMS Business. The information is updated quarterly. If no rating information is available at counterparty level, an assessment is made based on the average probability of default plus an appropriate risk premium. For the Combined Financial Statements as of September 30, 2024, 2023, and 2022 the latest external credit information and ratings were used, which already take into account current expectations of the possible effects of the war in the Ukraine. In addition, the model takes forward-looking information derived from current macroeconomic conditions into account (e.g., increase in material and personnel costs in the short-term; a degressive increase in material and personnel costs in the mid-term). According to this valuation model, no additional adjustment of impairment is necessary. Overall, this model shows a moderate but not significant increase in the valuation of individual customers.

The column expected credit loss (individual identification) refer in particular to individual bad debt provisions and insolvency cases. On the other financial assets measured at amortized cost there were no significant changes in impairment losses in the fiscal years 2021/2022, 2022/2023 and 2023/2024 respectively.

The default risk is derived from the risk profile of the Group's customers. To minimize default risk for trade accounts receivable and contract assets the Group concludes transactions only with counterparties who have a good credit rating or are members of a deposit protection fund. For long-term contracts, additional security is provided in the form of advance payments received. The creditworthiness of the business partners with which projects are made is continuously monitored by tracking their credit ratings (cf. Credit Risk section). The Group therefore considers the default risk to be low.

Derivative financial instruments

The Group uses foreign currency forward contracts. Derivative financial instruments are generally used to hedge existing or anticipated underlying transactions to reduce foreign currency risks. In rare cases, the derivatives are designated as hedging instruments for hedge accounting purposes to hedge future cash flows against foreign currency risks arising from future sales and purchase transactions.

The following table shows the notional amounts and fair values of derivatives used within the Group:

DERIVATIVE FINANCIAL INSTRUMENTS (Hedging of foreign currency risk)						
thousand €	Notional amount as of Sept. 30, 2022	Carrying amount as of Sept. 30, 2022	Notional amount as of Sept. 30, 2023	Carrying amount as of Sept. 30, 2023	Notional amount as of Sept. 30, 2024	Carrying amount as of Sept. 30, 2024
Assets						
Foreign currency derivatives that do not qualify for hedge accounting						
Foreign currency contracts US Dollar	7,838	1,070	17,614	555	8,104	269
Foreign currency contracts GBP	29,135	1,754	24,813	604	11,181	198
Foreign currency contracts SGD	1,243	25	3,016	61	2,431	40
Foreign currency contracts Other	23,810	1,305	29,471	724	28,681	510
Foreign currency derivatives qualifying as cash flow hedges						
Foreign currency contracts US Dollar	2,710	129	2,565	42	2,479	1

Foreign currency contracts	0	0	2,068	19	844	6
Other						
Total	64,737	4,284	79,547	2,006	53,720	1,025
Liabilities						
Foreign currency derivatives that do not qualify for hedge accounting						
Foreign currency contracts	10,484	1,245	7,416	340	17,515	445
US Dollar						
Foreign currency contracts	4,520	202	23,869	48	12,108	188
GBP						
Foreign currency contracts	850	3	977	16	128	1
SGD						
Foreign currency contracts	12,773	597	38,819	1,444	77,308	1,577
Other						
Foreign currency derivatives qualifying as cash flow hedges						
Foreign currency contracts	0	0	0	0	697	13
US Dollar						
Foreign currency contracts	322,557	35,305	305,648	43,956	276,466	33,307
NOK						
Foreign currency contracts	11,821	502	10,223	480	9,547	699
Other						
Total	363,328	37,877	388,156	46,293	393,769	36,229

Derivatives that qualify for hedge accounting - cash-flow hedges

In rare cases cash flow hedges are used to hedge future cash flows against foreign currency risks arising from future sales and purchase transactions. In the case of cash flow hedges, the effective portion of the gain or loss on the hedging instrument is initially recognized in OCI and accumulated in a separate component of equity referred to as the cash flow hedge reserve. When the hedged transaction subsequently affects profit or loss (such as when a forecast sale or purchase occurs), the amounts previously recognized in OCI are reclassified to the profit and loss statement.

In connection with one of the Group's high-volume contracts, the Group entered into an agreement involving deliveries made by a subcontractor, with payments to be made in a foreign currency. The contract price with the customer is denominated in euro. To mitigate the risk of currency fluctuations, the contract price is adjusted based on a reference exchange rate determined at the time the contract was finalized. This pricing mechanism constitutes an embedded foreign currency derivative within the contract, effectively hedging the currency fluctuations arising from purchases denominated in one foreign currency. It qualifies as a cash flow hedge during the relevant reporting periods. Additionally, the Group did not hold any significant derivatives qualifying as cash flow hedges during the reporting periods.

The Group did not enter into other hedging commitments such as interest rate or commodity risk hedges.

The following table shows hedging instruments in the context of cash flow hedges for foreign currency risks used within the Group:

INFORMATION ON HEDGING INSTRUMENTS IN THE CONTEXT OF CASH FLOW HEDGES FOR FOREIGN CURRENCY RISKS			
thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Derivate assets	129	61	7
Derivative liabilities	35,153	43,886	33,300
<i>Designated part of hedging instruments</i>	<i>(35,024)</i>	<i>(43,825)</i>	<i>(33,292)</i>
<i>Fair value change of hedged item</i>	<i>35,024</i>	<i>43,825</i>	<i>33,292</i>

Cash flows from future transactions are currently hedged for a maximum of 12 months.

The following tables show the development of other comprehensive income from cash flow hedges for foreign currency risks:

CHANGES IN OTHER COMPREHENSIVE INCOME RESULTING FROM CASH FLOW HEDGES FOR FOREIGN CURRENCY RISKS			
thousand €	2022	2023	2024
Balance as of Oct. 1	(25,624)	(24,130)	(30,161)
Net unrealized gains/(losses) on designated risk component	(549)	(584)	(138)
Net unrealized gains/(losses) on hedging costs	2,645	(8,216)	10,671
Net realized (gains)/losses	-	-	-
Tax effect	(602)	2,770	(3,325)
Balance as of Sept. 30	(24,130)	(30,161)	(22,953)

As of September 30, 2024, net income from the ineffective portions of derivatives classified as cash flow hedges totalled €0 thousand (September 30, 2023: €0 thousand, September 30, 2022: €0 thousand).

In the subsequent fiscal year 2024/2025 fluctuations in fair value of derivatives included in cumulative other comprehensive income as of the reporting date is expected to impact earnings by income of €5,337 thousand. During the 2025/2026 fiscal year, earnings are expected to be impacted by income of €3,247 thousand, and in the following fiscal years by income of €28,066 thousand.

The hedging rates and remaining terms for foreign currency risks existing at the end of the year are shown in the following tables.

HEDGING OF FOREIGN CURRENCY RISKS BY REMAINING TERMS			
thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Remaining term up to 1 year	97,712	157,752	137,138
thereof:			
Foreign currency contracts NOK	41,249	43,418	31,015
Foreign currency contracts GBP	12,507	49,324	10,261
Foreign currency contracts USD	17,931	23,336	28,440
Foreign currency contracts other	26,026	41,674	67,422
Remaining term above 2 years	330,352	320,030	321,775
thereof:			
Foreign currency contracts NOK	291,781	284,729	269,771
Foreign currency contracts GBP	21,962	171	31,961
Foreign currency contracts USD	3,423	6,116	2,352
Foreign currency contracts other	13,186	29,014	17,690
Notional amount	428,065	477,782	458,913
thereof:			
Foreign currency contracts NOK	333,030	328,146	300,786
Foreign currency contracts GBP	34,469	49,496	42,222
Foreign currency contracts USD	21,354	29,452	30,793
Foreign currency contracts other	39,211	70,688	85,112
Average hedging rate			
Foreign currency contracts NOK	10.40	11.05	11.66
Foreign currency contracts GBP	18.77	4.68	4.16
Foreign currency contracts USD	1.10	1.07	1.09

Derivatives that do not qualify for hedge accounting

The Group mainly uses derivative financial instruments in order to economically hedge against exchange rate risks. If a hedging relationship does not meet the requirements for hedge accounting in accordance with the conditions under IFRS 9 or hedge accounting is economically not reasonable, the derivative financial instrument is recognized as a derivative that does not qualify for hedge accounting. The resulting impact on profit and loss from derivative financial instruments that do not qualify for hedge accounting are recognized either in other income or other expenses (cf. Note 25 and 26).

Financial risk

During the course of ordinary activities, the TKMS Business is exposed to financial risks in the form of credit risks (default risk), liquidity risks and market risks (foreign currency risks). The aim of risk management is to limit the risks arising from operating activities and associated financing requirements by applying selected derivative hedging instruments. In this context, TKMS Business adheres to the principle of risk aversion, as outlined within its risk management framework. This principle mandates that financial and credit risks should be minimized whenever possible, either by diversifying through a risk portfolio, transferring the risks to third parties, or otherwise limiting them to the greatest extent feasible.

Credit risk

Credit risk (default risk) is the risk of the Group incurring financial losses due to the non-fulfilment or partial fulfilment of existing debt obligations. Credit risk management is governed by corporate guidelines. Group companies are required to implement credit risk management in accordance with these guidelines.

In order to minimize default risks (credit risks) from the use of financial instruments, such transactions are only concluded with counterparties that meet our internal minimum requirements. Credit risk management defines minimum requirements for the selection of counterparties so that financial instruments in the financing area are only entered into with counterparties who have a good credit rating or are members of a deposit protection fund. Creditworthiness is monitored on the basis of assessments by recognized rating agencies and also taking into account short-term early warning indicators. Continuous and standardized monitoring of ratings and early warning indicators enables us to minimize risks at an early stage. Derivative financial instruments are generally entered into on the basis of standard contracts in which it is possible to net open transactions with the respective business partners.

Default risks are generally hedged with suitable instruments. These include private and state credit insurance as well as letters of credit and guarantees from banks, insurance companies and management companies. For long-term contracts, additional security is provided in the form of advance payments received. In order to further minimize default risks from operating activities, the corporate guidelines provide for the assessment of default risk based on the risk profile of the business partner using suitable internal and, where available, external information, such as ratings and credit reports. Credit limits are set for each business partner using this credit rating. The assessment of the risk profile for each business partner is subject to appropriate, ongoing monitoring, which enables the Group to minimize risk at an early stage. Based on the individual characteristics of the customers there are processes and guidelines for determining which measures are to be taken in the event of a deterioration creditworthiness or payment default to mitigate the maximum default risk.

Transactions whose value exceeds specified materiality thresholds, especially when the business is undergoing major projects, also require prior approval at tk AG level. Additionally, the amount and hedging of default risks is assessed.

Liquidity risk and maturity analysis

Liquidity risk is the risk that the Group is unable to meet its existing or future obligations due to insufficient availability of cash or cash equivalents. Liquidity risk was managed by the Group by means of integration into the cash pooling and cash management systems of tk Business.

The following table shows the future undiscounted cash outflows from financial liabilities based on contractual agreements:

FUTURE UNDISCOUNTED CASH OUTFLOWS AS OF SEPT. 30, 2022				
thousand €	Carrying amount Sept. 30, 2022	<i>Cash flows within 1 year</i>	<i>Cash flows between 2 and 5 years</i>	<i>Cash flows of more than 5 years</i>
Lease liabilities	35,013	7,999	16,741	18,127
Trade accounts payable	247,944	243,848	4,096	-
Derivative financial instruments not qualifying for hedge accounting	6,201	1,550	4,651	-
Derivative financial instruments qualifying for hedge accounting	35,177	1,132	5,362	30,467
Other financial liabilities	189,852	192,112	34,474	-

FUTURE UNDISCOUNTED CASH OUTFLOWS AS OF SEPT. 30, 2023				
thousand €	Carrying amount Sept. 30, 2023	<i>Cash flows within 1 year</i>	<i>Cash flows between 2 and 5 years</i>	<i>Cash flows of more than 5 years</i>
Lease liabilities	31,743	6,178	15,103	17,184
Trade accounts payable	374,212	365,855	8,357	-
Derivative financial instruments not qualifying for hedge accounting	4,760	2,439	2,321	-
Derivative financial instruments qualifying for hedge accounting	43,896	3,357	7,860	36,772
Other financial liabilities	190,459	172,745	23,019	-

FUTURE UNDISCOUNTED CASH OUTFLOWS AS OF SEPT. 30, 2024				
thousand €	Carrying amount Sept. 30, 2024	<i>Cash flows within 1 year</i>	<i>Cash flows between 2 and 5 years</i>	<i>Cash flows of more than 5 years</i>
Lease liabilities	32,740	6,951	16,850	15,233
Trade accounts payable	411,395	406,323	5,072	-
Derivative financial instruments not qualifying for hedge accounting	4,062	2,094	1,968	-
Derivative financial instruments qualifying for hedge accounting	33,300	3,374	17,837	16,724
Other financial liabilities	137,385	172,745	23,019	-

Cash flows from derivatives are offset by cash flows from hedged underlying transactions, which have not been considered in the analysis of maturities. If cash flows from the hedged underlying transactions were considered, the cash flows shown in the table would decrease.

Sensitivity analysis

Market risk is the risk that fair values or future cash flows of non-derivative or derivative financial instruments will fluctuate due to changes in risk factors. Among market risks relevant to the Group are foreign currency, procurement (commodity price), and especially raw material price risks. Associated with these risks are fluctuations in income, equity and cash flow.

The results and figures identified through sensitivity analyses represent hypothetical, future-oriented data that can differ from actual outcomes because of unforeseeable developments in financial markets. Non-financial or non-quantifiable risks, such as business risks, are not considered.

Foreign currency risk exposure

Foreign currency hedging is used to fix prices on the basis of hedging rates as protection against any unfavourable exchange rate fluctuations in the future. Hedging periods are generally based on the maturities of underlying transactions. Foreign currency derivative contracts usually have maturities of twelve months or less but can also be up to nine years in single exceptional cases.

The US dollar is the only relevant risk variable for sensitivity analyses under IFRS 7, as the vast majority of foreign currency cash flows occurs in US dollars. As hedging transactions are generally used to hedge underlying transactions, opposite effects in underlying and hedging transactions are almost entirely offset over the total period. Therefore, the currency risk exposure described results from hedging relationships with off-balance sheet underlying transactions, i.e., hedges of firm commitments and forecasted sales. Based on our analysis, the exposure to the US dollar as of September 30, 2024, 2023, 2022 was as follows:

If the euro had been 10 % stronger against the US dollar as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €521 thousand lower (September 30, 2023: €1,515 thousand lower, September 30, 2022: €675 thousand lower).

If the euro had been 10 % weaker against the US dollar as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €855 thousand higher (September 30, 2023: €2,127 thousand higher, September 30, 2022: €771 thousand higher).

If the euro had been 10% stronger against the Norwegian crowns as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €26,301 thousand lower (September 30, 2023: €27,390 thousand lower, September 30, 2022: €27,881 thousand lower).

If the euro had been 10% weaker against the Norwegian crowns as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €44,636 thousand higher (September 30, 2023: €25,579 thousand higher, September 30, 2022: €32,106 thousand higher).

If the euro had been 10% stronger against the British pound as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €19 thousand higher (September 30, 2023: €0 thousand higher, September 30, 2022: €11 thousand lower).

If the euro had been 10% weaker against the British pound as of September 30, 2024, the earnings resulting from the measurement as of the balance sheet date would have been €19 thousand lower (September 30, 2023: €0 thousand lower, September 30, 2022: €11 thousand higher).

The currency risk presented in the sensitivity analysis results from the unhedged part of the receivables and liabilities in non-functional currencies, unhedged bank balances or bank liabilities in non-functional currencies or currency risks from embedded derivatives.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is only exposed to a minor interest rate risk resulting from the cash pooling financed at arm's length. The Group manages its interest rate risk by transferring typically excess liquidity into the tk Group's cash pooling and cash management system on a regular basis; reference is also made to Note 9 and Note 21.

21 Related Parties

These Combined Financial Statements include transactions between the Group and tk Group (tk AG and its direct and indirect subsidiaries, excluding the Group). tk Group is a related party, as tk AG, as the ultimate parent, controls the Group (cf. Note 1.1).

Transactions with tk Group

Service, supply and delivery agreements exist between the Group and tk Group. The Group is supplied by the tk Group and delivers to tk Group goods and services on a case-by-case basis.

Transactions with tk Group were as follows:

Service, supply and delivery agreements

thousand €	Sales of goods and services and other income			Purchases of goods & services and other expenses		
	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Other entities of tk Group	4,702	4,594	5,185	748	2,864	1,655
Joint Ventures of TKMS Business	446	396	213	0	0	0
Associates of TKMS Business	196	940	11	0	0	0
Total	5,344	5,930	5,410	748	2,864	1,655

Interest income and expense from cash pool

During the reporting periods, the Group was integrated into the cash pooling and cash management systems of tk Group. Cash pooling is largely centralized at tk AG and certain financing companies (i.e., cash pool leaders). Relevant cash pool leaders for TKMS Business Entities are located in Germany (EUR) and UK (GBP). The Group typically has excess liquidity which is transferred into the tk Group's cash pooling and cash management system on a regular basis; reference is also made to Note 9. Basis for the cash pooling system is the tk Group Operating Instruction Financing and the cash management agreement. The cash management agreement was concluded for an indefinite period of time. Group companies with bank accounts connected to an automatic cash pool system are required to communicate their financial requirements or surplus funds to the cash pool leader in order to ensure effective cash management. Financial receivables and liabilities from/due tk Group are presented without netting in the Combined Financial Statements. Cash pool balances are interest-bearing. Both, borrowings and deposits are subject to interest at a pre-defined base interest rate that is oriented on the money market (EURIBOR for Euro or equivalent risk-free rates for foreign currencies, floored at 0%). In case of borrowings, a refinancing cost levy is charged on top of the base interest rate. This refinancing cost levy is based on the funding costs of tk AG and is determined on a quarterly basis. Current funding costs of TKMS Business are therefore not necessarily indicative of future costs for such services. Interest income received from cash pool receivables are provided in Note 27.

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Interest income from cash pool with tk Group	2,663	47,658	58,273
Interest expense from cash pool with tk Group	940	3,276	3,249

The applicable weighted average interest rates for the most significant currencies were as follows.

in %	Borrowings			Deposits		
	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
EUR	1.0	4.1	4.6	0.2	3.5	4.5
GBP	3.0	5.7	6.1	2.2	5.1	6.0
USD	2.5	6.1	6.1	1.7	5.5	6.0

Derivative financial instruments

The Group's hedging activities are performed on an arm's length basis via tk AG. The consideration is based on the normal market rates. The related receivables and payables are disclosed in other financial assets (cf. Note 9) and other financial liabilities (cf. Note 15) in lines "Derivatives not qualifying for hedge accounting" and "Derivatives qualifying for hedge accounting".

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Net gains (losses) from hedging activities performed by tk AG for the Group	3,145	(1,458)	(1,207)

The following table shows the notional amounts and fair values of derivative financial instruments entered into by the Group with tk AG:

DERIVATIVE FINANCIAL INSTRUMENTS (Hedging of foreign currency risk)						
thousand €	Notional amount as of Sept. 30, 2022	Carrying amount as of Sept. 30, 2022	Notional amount as of Sept. 30, 2023	Carrying amount as of Sept. 30, 2023	Notional amount as of Sept. 30, 2024	Carrying amount as of Sept. 30, 2024
Assets						
Foreign currency derivatives that do not qualify for hedge accounting						
Foreign currency contracts US Dollar	7,838	1,070	17,614	555	8,104	269
Foreign currency contracts GBP	29,135	1,754	24,813	604	11,181	198
Foreign currency contracts SGD	1,243	25	3,016	61	2,431	40
Foreign currency contracts Other	23,810	1,305	29,471	724	28,681	510
Foreign currency derivatives qualifying as cash flow hedges						
Foreign currency contracts USD	2,710	129	2,565	42	2,479	1
Foreign currency contracts Other	0	0	2,068	19	844	6
Total	64,737	4,284	79,547	2,006	53,720	1,025
Liabilities						
Foreign currency derivatives that do not qualify for hedge accounting						
Foreign currency contracts US Dollar	10,484	1,245	7,416	340	17,515	445
Foreign currency contracts GBP	4,520	202	23,869	48	12,108	188
Foreign currency contracts SGD	850	3	977	16	128	1
Foreign currency contracts Other	12,773	597	38,819	1,444	77,308	1,577
Foreign currency derivatives qualifying as cash flow hedges						
Foreign currency contracts USD	0	0	0	0	697	13
Foreign currency contracts Other	11,821	502	10,223	480	9,547	699
Total	40,449	2,549	81,303	2,328	117,303	2,922

The volumes of hedging transactions entered into in the respective year are as follows.

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Sell Amount	152,795	157,016	244,175
Buy Amount	167,555	159,834	267,609

License fee

Based on a licensing agreement tk Group in the past granted the Group the non-exclusive right to use the thyssenkrupp corporate brand. For this license the Group paid a license fee to tk Group on an annual basis (“tk Group trademark fee”). The basis for the fee calculation was the Group’s sales, excluding sales to tk Group. The license fee applied was variable and based on both external sales and the Group’s Adjusted EBIT margin.

The license fees recognized in the Combined Statement of Income under the licensing agreement are as follows:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
tk Group trademark fee	1,018	1,760	4,325

In the context of the separation from tk Group, TKMS GmbH will enter into a new licensing agreement with tk AG, resulting in the termination of the historical brand invoicing model. The new licensing agreement grants TKMS Business the indefinite right to use licensed “TKMS” trademarks (for further information cf. Note 33).

Guarantees

tk Group has issued so called parent company guarantees (hereafter “PCG”) to the TKMS Business’s customers in connection with the TKMS Business’s projects. PCGs issued by tk Group amounted to €10,009,287 thousand as of September 30, 2024 (September 30, 2023: €9,939,724 thousand, September 30, 2022: €10,377,038 thousand). In the periods under consideration tk Group has charged a fixed fee (i.e. regardless of the guaranteed amount) of €85 thousand per PCG to TKMS Business, largely reflecting internal administration cost of such PCG incurred by tk Group. The fixed fees charged for the PCG have been included in TKMS Business’s project costs and are presented in cost of sales with their historically recharged amounts. In connection with the contemplated spin-off the terms and conditions of the PCG have been re-negotiated effective fiscal year 2025/2026 (see Note 33). Under the re-negotiated terms tk Group continues to charge a fixed fee by PCG in an amount which increases year-over-year. While existing PCG will remain in place after the spin-off, it is not intended to make use of new PCG with respect to new contracts entered into by TKMS Group after the spin-off.

The amounts charged by tk Group do not reflect amounts which would be charged in the hypothetical case that such guarantees were issued by external banks instead of tk AG. Therefore, the amounts included in the Combined Financial Statements may not be indicative of future performance of the TKMS Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the TKMS Business operated as an independent stand-alone group during the periods presented.

In addition, tk Group has entered into bank guarantees with external banks with respect to performance guarantees issued to TKMS Business’s customers. The conditions for the bank guarantees are variable, derived from tk Group’s creditworthiness and charged to TKMS Business at an arm’s length basis.

The costs incurred for guarantees amount to €13,258 thousand on September 30, 2024 (€13,524 thousand on September 30, 2023, €15,298 thousand on September 30, 2022).

Legal reorganization

In the context of the legal reorganization as of September 30, 2024, TKMS GmbH acquired 75 % of shares in TKMS ATLAS ELEKTRONIK GmbH (formerly ATLAS ELEKTRONIK GmbH), 100 % of shares in TKMS Singapore Pte. Ltd. (formerly thyssenkrupp Marine Systems (Singapore) Pte. Ltd.) and other shareholdings of minor value for a total purchase price of €633,877 thousand, which was paid in fiscal year 2023/2024 and included in “Transactions with tk Group” presented in the Combined Statement of Changes in Equity and the Combined Statement of Cash Flows.

Profit or loss transfer agreements

For the periods under consideration profit or loss transfer agreements (“Gewinnabführungsvertrag”) were in place with tk Group. The corresponding impact of the profit transfer or loss absorption is directly recognized in equity and is reflected as a withdrawal or contribution in the line item “Dividends & profit and loss transfer with TKMS Business’s equity holders” respectively, in the Combined Statement of Changes in Equity. The subsequent settlement of such receivables and liabilities is presented in the financing activities in the line item “Profit loss transfers received (paid)” of the Combined Statement of Cash Flows.

Balances due to/from tk Group

thousand €	Assets			Liabilities		
	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
tk Group cash pool	1,144,781	1,429,070	1,165,590	68,349	51,410	57,376
Foreign currency derivatives with tk Group	4,284	2,006	1,025	2,549	2,328	2,922
tk Group other transactions	53,744	96,330	163,126	25,339	44,236	21,137

The outstanding balances as of each reporting date are unsecured and interest free except for the interest-bearing cash pool receivable due from tk Group. Settlement of these transactions occurs in cash. Except for the guarantees issued by tk Group to the Group’s customers, there were no other guarantees provided or received for any related party receivables or payables. The position tk Group other transactions comprises receivables and liabilities in connection with the profit and loss agreement between TKMS Business entities and tk Group entities and service or supply contracts.

Lease contracts

The Group has entered into lease contracts with tk Group for cars.

thousand €	Right of use assets			Lease liabilities		
	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
tk Group	675	927	982	682	940	1,009

Transactions with key management personnel of TKMS Business

To complete the formation of TKMS Group as a stand-alone group, independent from tk Group, tk Group is undergoing a legal reorganization to establish the TKMS Group for the transaction by transferring Dedicated Entities as well selected, immaterial activities of the TKMS Business historically included in other legal entities of tk Group into a group structure under the control of TKMS Holding. .

The key management of Marine Systems is therefore defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly, in particular members of the management board and the supervisory board.

The members of the TKMS Management Board comprising of Oliver Burkhard (Chief Executive Officer), Paul Glaser (Chief Financial Officer), Bernd Hartmann (Chief Human Resources Officer) and Dirk Steinbrink (Chief Operating Officer) represent key management personnel of the Group.

Furthermore, Marine Systems is controlled by the ultimate parent, tk AG. Therefore, tk AG’s Management Board and Supervisory Board are deemed key management. Until January 31, 2025, Oliver Burkhard was also member of the Management Board of tk AG. Therefore, Oliver Burkhard was remunerated by tk AG only and received no separate compensation from TKMS Business. Furthermore, no costs were charged by tk AG to TKMS Business for Oliver Burkhard’s services as Member and Chairman of the Management Board of TKMS Group.

The compensation of the management board members of Marine Systems contains several remuneration components as illustrated in the table below. The compensation presented in the table encompasses both (i) directly incurred compensation at the TKMS Business level and (ii) allocated expenses incurred at the tk AG level, insofar as these were attributed to TKMS Business amounting to €500 thousand for the fiscal year 2023/2024 (fiscal year 2022/2023: €500 thousand, fiscal year 2021/2022: €0 thousand) and reflected in these Combined Financial Statements:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Short-term benefits	1,111	1,672	1,863
Long-term benefits	(18)	77	(10)
Termination benefits	712	243	-
Post-employment benefits	604	146	123
Total	2,409	2,137	1,976

The long-term benefits solely comprise the share-based compensation of the management board members.

Liabilities payable to the members of the TKMS Management Board only exist with respect to their compensation and are as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Short-term benefits	450	380	523
Long-term benefits	75	99	89
Termination benefits	200	-	-
Post-employment benefits	907	919	1,080
Total	1,632	1,398	1,692

Short-term benefits comprise of fixed compensation, annual bonus, the short-term component of the long-term incentive program and additional fringe benefits such as the provision of company cars as well as further transitional benefits for a limited period, such as relocation costs or costs in connection with the need to maintain two households for work purposes.

Termination benefits comprise of severance payments and paid leave for certain periods after resignation.

Post-employment benefits comprise of pension benefits granted to the members of the TKMS Management Board, in accordance with the provisions included in the individual employment contracts. For historical reasons a wide variety of voluntary defined benefit pension plans exist in Germany based on different risk profiles. One active and two former board members are eligible to pension benefits in accordance with plan rules stipulated by "Essener Verband". The plans represent defined benefit plans and are either designed as career-average plan or contribution-based plan granting benefits in case of retirement, disability or death. In case of an insured event the benefits are paid as annuities. The other board members are eligible to pension benefits in accordance with the "Flex Plan", a share-based pension-plan with a minimum of 1% interest p.a. guaranteed by the employer and optional salary conversions for which employer-funded matching contributions are offered as an incentive.

Compensation attributable to members of the Supervisory Board comprised in fiscal year 2023/2024 base compensation and additional compensation for committee work and amounted to €50 thousand (fiscal year 2022/2023: €57 thousand, fiscal year 2021/2022: €85 thousand) including meeting fees.

No advances or loans have been granted to key management personnel in the reporting period nor in the previous years.

Disclosures relating to the Executive Board and Supervisory Board of tk AG

The following disclosures show the total compensation of the Executive Board and the Supervisory Board of tk AG, as published on the tk AG Group financial statements.

In fiscal year 2023/2024, the members of the Executive Board of tk AG received short-term benefits (excluding share-based compensation) of €6,683 thousand (fiscal year 2022/2023: €5,169 thousand, fiscal year 2021/2022: €4,598 thousand). Post-

employment benefits in fiscal year 2023/2024 amounted to €3 thousand (fiscal year 2022/2023: €562 thousand, fiscal year 2021/2022: €161 thousand). Termination benefits in fiscal year 2023/2024 amounted to €315 thousand (fiscal year 2022/2023: €387 thousand, fiscal year 2021/2022: €0 thousand). In fiscal year 2023/2024, expense related to share-based compensation amounted to €(1,581) thousand (fiscal year 2022/2023: €8,191 thousand, fiscal year 2021/2022: €(4,564) thousand). Therefore, the total compensation and benefits of the Executive Board of tk AG amounted to €5,421 thousand in fiscal year 2023/2024 (fiscal year 2022/2023: €14,309 thousand, fiscal year 2021/2022: €196 thousand). The remuneration of the members of the executive board of tk AG is reflected as an expense in these Combined Financial Statements, insofar as these were attributed to TKMS Business amounting to €500 thousand for the fiscal year 2023/2024 (fiscal year 2022/2023: €500 thousand, fiscal year 2021/2022: €0 thousand), as also discussed in the section “Transactions with key management personnel of TKMS Business” above. Compensation attributable to members of the supervisory board of tk AG comprises in fiscal year 2023/2024 of short-term benefits and amounted to €2,369 thousand (including of meeting attendance fees) (fiscal year 2022/2023: €1,728 thousand, fiscal year 2021/2022: €1,688 thousand).

22 Segments

Reportable Segments

TKMS Business’s management which corresponds with the tk AG Group’s Marine Systems segment management, as the chief operating decision maker, manages the TKMS Business at operating segments level. The operating segments are largely organized and managed separately, reflecting the different nature of products and services provided. The Marine Systems Business is divided into its separately reported core segments Submarines, Surface Vessels and Atlas Electronics. The other segments NXTGEN and TCCT are presented in “All Other Segments”.

Corporate and Consolidation

Centrally managed corporate and holding functions are presented together with consolidation effects. Consolidation essentially contains the elimination of intercompany transactions.

Management reporting principles and key performance indicators

The internal management and reporting structure of TKMS Business is based on the accounting policies that are described in Note 1.2.

At the operating segment level, performance is primarily assessed using gross margin, which serves as the key metric for managing business operations and is regularly reported to TKMS Management.

Segment reporting follows the management approach and includes both sales and gross margin by operating segment.

Segment reporting

Segment information for the year ended Sept. 30, 2024						
thousand €	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
External sales	975,036	570,849	432,731	7,538	397	1,986,551
Internal sales within the group	615	1	157,084	-	(157,700)	-
Sales	975,651	570,850	589,815	7,538	(157,303)	1,986,551
Gross Margin	72,646	95,463	143,616	3,783	(2,448)	313,059
<i>Therein:</i> Depreciation and amortization	41,935	3,345	21,718	261	-	67,259
Segment information for the year ended Sept. 30, 2023						
thousand €	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group

External sales	955,073	646,904	337,605	6,700	2,390	1,948,673
Internal sales within the group	489	-	265,502	-	(265,991)	-
Sales	955,563	646,904	603,107	6,700	(263,601)	1,948,673
Gross Margin	68,121	98,864	135,351	7,410	(1,912)	307,833
Therein: Depreciation and amortization	34,657	2,874	20,601	235	-	58,367

Segment information for the year ended Sept. 30, 2022

thousand €	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
External sales	640,073	738,154	311,275	8,435	(2,117)	1,695,820
Internal sales within the group	973	-	147,624	-	(148,596)	-
Sales	641,046	738,154	458,899	8,435	(150,714)	1,695,820
Gross Margin	83,686.03	44,422.54	109,608.25	7,622.61	(6,790.68)	238,549
Therein: Depreciation and amortization	31,248	2,322	25,841	219	-	59,630

Additional information

thousand €	Germany	All foreign countries	Group
External sales (location of customer)			
Year ended Sept. 30, 2022	437,024	1,258,797	1,695,820
Year ended Sept. 30, 2023	584,977	1,363,696	1,948,673
Year ended Sept. 30, 2024	509,351	1,477,199	1,986,551

The following table shows those clients, which are countries due to the business model of the TKMS Business, whose sales accounted for more than 10% of the Group's sales in each reporting period:

thousand €	Year ended Sept. 30, 2022		Year ended Sept. 30, 2023		Year ended Sept. 30, 2024	
Germany	437,024	25.8%	584,977	30.0%	509,351	25.6%
Brazil	187,187	11.0%	260,854	13.4%	360,678	18.2%
Egypt	394,292	23.3%	286,475	14.7%	-	-
Norway	-	-	249,789	12.8%	290,712	14.6%
Singapore	278,168	16.4%	-	-	-	-

thousand €	Germany	Rest of Europe	South America	Middle East & Africa	Other countries	Group
Non-current assets (intangible assets, property, plant and equipment inclusive of investment property and other non-financial assets) (location assets)						
Sep. 30, 2022	680,089	40,512	49,012	306	15,236	785,154
Sep. 30, 2023	727,124	45,769	52,549	286	15,443	841,170
Sep. 30, 2024	724,598	52,254	57,005	539	18,096	852,491

Assets and capital expenditures are presented based on the location of the assets.

Reconciliations

The reconciliation of the earnings figure Gross Margin to Income/(loss) group (before tax) is presented below:

GROSS MARGIN TO INCOME/(LOSS) BEFORE TAX			
thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Gross Margin as presented in segment reporting	238,549	307,833	313,059
Research and development cost	(54,257)	(42,560)	(47,716)
Selling expenses	(63,624)	(76,617)	(71,481)
General and administrative expenses	(96,487)	(99,844)	(114,718)
Other income/(expense), net	7,469	(7,503)	(699)
Profit/(loss) from operations	31,650	81,309	78,445
Financial income/(expense), net	1,045	38,078	50,336
Income/(loss) group (before tax)	32,695	119,387	128,781

23 Sales

Sales from contracts with customers, are presented below:

thousand €	Timing of revenue recognition	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
2021/2022							
Sales category							
Sales from construction contracts	Over-time	605,117	733,857	246,214	-	(2,117)	1,583,070
Sales from rendering of services	Over-time / point in time	34,957	4,297	9,244	8,435	-	56,932
Sales of finished goods and merchandise	Point in time	-	-	55,818	-	-	55,818
Total		640,073	738,154	311,275	8,435	(2,117)	1,695,820

thousand €	Timing of revenue recognition	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
2022/2023							
Sales category							
Sales from construction contracts	Over-time	908,359	640,542	271,190	-	2,389	1,822,481
Sales from rendering of services	Over-time / point in time	46,033	6,361	9,812	6,700	-	68,906
Sales of finished goods and merchandise	Point in time	681	-	56,604	-	-	57,285
Total		955,073	646,904	337,606	6,700	2,389	1,948,673

thousand €	Timing of revenue recognition	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
2023/2024							
Sales category							
Sales from construction contracts	Over-time	924,490	561,919	351,038	-	397	1,837,844
Sales from rendering of services	Over-time / point in time	50,546	8,930	8,944	7,538	-	75,958
Sales of finished goods and merchandise	Point in time	-	-	72,749	-	-	72,749
Total		975,036	570,849	432,731	7,538	397	1,986,551

In presenting information for geographical areas, the allocation of sales is based on the location of the end customer of each project.

In the fiscal year ended September 30, 2024, Sales from contracts with customers results from long-term contracts amounting to €1,941,819 thousand (fiscal year ended September 30, 2023: €1,826,165 thousand, fiscal year ended September 30, 2022: €1,578,060 thousand) and from short-term contracts amounting to €44,732 thousand (fiscal year ended September 30, 2023: €122,508 thousand, fiscal year ended September 30, 2022: €117,760 thousand).

24 Functional Cost

Research and development costs

The future competitiveness of the Group shall be ensured through sustained development of new products, applications, and processes. This is also reflected in the Group's research and development cost amounting to €47,716 thousand in fiscal year 2023/2024 (fiscal year 2022/2023: €42,560 thousand, fiscal year 2021/2022: €54,257 thousand). Research and development are related to areas of unmanned vessels, fuel cell technology and underwater recovery of ordnance. Research and development cost remained largely stable as a percentage of sales for the reporting periods under consideration.

Selling expenses

Selling expenses includes personnel, service and material costs related to the business development and sales process, particularly the preparation of any plant projects or service order proposals, including marketing and other costs related to the functional area of sales. Selling expenses are also attributable to campaign costs incurred for the tendering of mainly submarine projects and fluctuate with the tender in the respective years and the complexity of the tenders, including proposal and pre-engineering costs.

The Group's selling expenses decreased by €5,136 thousand, or 6.7 %, from €76,617 thousand in fiscal year 2022/2023 to €71,481 thousand in fiscal year 2023/2024. In fiscal year 2022/2023 the Group's selling expenses increased by €12,993 thousand, or 20.4 %, from €63,624 thousand in fiscal year 2021/2022 to €76,617 thousand in the fiscal year 2022/2023.

Selling expenses also include impairment losses and reversals regarding trade receivables and contract assets in line with Group's accounting policies. In fiscal year 2023/2024 the change of the valuation allowance amounts to an expense of €1,351 thousand (fiscal year 2022/2023: expense of €4,465 thousand, fiscal year 2021/2022: income of €307 thousand).

General and administrative expenses

The Group's general and administrative expenses increased by €14,874 thousand, or 14.9 %, from €99,844 thousand in fiscal year 2022/2023 to €114,718 thousand in fiscal year 2023/2024. In the fiscal year 2022/2023 the Group's general and

administrative expenses increased by €3,357 thousand, or 3.5 %, from €96,487 thousand in fiscal year 2021/2022 to €99,844 thousand in fiscal year 2022/2023.

Expenses by nature

For additional information on the nature of expenses, including employee benefits expense (cf. Note 29) and material expenses (cf. Note 6), refer to the respective reference. Depreciation and amortisation expenses of the Group are as follows:

thousand €	Sept. 30, 2022	Sept. 30, 2023	Sept. 30, 2024
Amortization (cf. Note 4)	23,056	19,380	21,038
Depreciation (cf. Note 5)	42,386	43,736	51,254
Total	65,442	63,116	72,292

25 Other income

Other income includes all operating income which is not included in or attributable to sales and is composed of the following categories:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Foreign exchange gains	5,292	2,251	2,703
Government Grants	3,244	5,124	9,515
Income from derivatives not qualifying for hedge accounting	262	-	-
Other miscellaneous	25,352	26,897	17,386
Total	34,149	34,272	29,604

Government grants relate to research & development projects. They are recognized in profit or loss over the period necessary to match them with the costs that they are intended to compensate. There are no unfulfilled conditions or other contingencies attaching to these grants. Other miscellaneous income contains other ancillary income, sales of precious metals and reimbursements of costs which are passed on to neighbouring shipyards (cf. Note 26).

26 Other expenses

Other expenses include all operating expenses which are not included in or attributable to the functional categories and is composed of the following categories:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Foreign exchange losses	4,861	2,203	4,014
tk Group trademark fee (cf. Note 21)	1,018	1,760	4,325
Losses from disposals	-	-	-
Other miscellaneous expenses	20,801	37,812	21,963
Total	26,680	41,775	30,303

Other miscellaneous expenses contain reallocation of costs from other functional areas and amongst others banking fees as well as costs which are passed on to neighbouring shipyards (cf. Note 25).

27 Finance income/(expense), net

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Income (loss) from companies accounted for using the equity-method	(6,165)	1,563	2,343
Interest income from cash pool with tk Group (cf. Note 21)	2,663	47,658	58,273
Other finance income	14,138	15,619	12,023
Finance income	16,801	63,277	70,296
Net interest cost of pensions and similar obligations	(4,241)	(12,528)	(13,613)
Interest expense from leases liabilities	(1,233)	(1,277)	(1,419)
Other finance expenses	(4,117)	(12,957)	(7,271)
Finance expense	(9,591)	(26,762)	(22,303)
Total	1,045	38,078	50,336

Other finance income and expenses comprise profits on short-term investments, and cash deposits. To a minor extent it also includes default interest and foreign currency valuation.

28 Income taxes

Income tax expense of the Group consists of the following:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Current income tax expense/(benefit)	13,511	41,296	(28,197)
thereof related to prior periods	(5,794)	(9,289)	(1,258)
Deferred income tax expense/(benefit)	6,120	15,353	69,379
thereof related to temporary differences	7,020	15,376	68,916
thereof related to tax loss carryforwards	(900)	(24)	463
Total	19,631	56,649	41,182

The components of income taxes recognized in total equity are as follows:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Income tax expense/(benefit) as presented on the statement of income	19,631	56,649	41,182
Income tax effect/(benefit) on other comprehensive income	38,941	1,710	(4,937)
Total	58,572	58,359	36,245

The income tax effect recognized in other comprehensive income relates to provisions for pensions and similar obligations (2022: € 38,337 thousand, 2023: € 4,452 thousand and 2024: € -8,310 thousand), cash flow hedges (2022: € 602 thousand, 2023: € -2,770 thousand and 2024: € 3,325 thousand) and from fair value measurement of equity instruments (2022: € -10 thousand, 2023: €27 thousand and 2024: € 48 thousand).

Components of the deferred tax assets (DTA) and deferred tax liabilities (DTL) are as follows:

thousand €	Sept. 30, 2022		Sept. 30, 2023		Sept. 30, 2024	
	DTA	DTL	DTA	DTL	DTA	DTL
Deferred income taxes on non-current items						
Intangible assets	192	83,896	205	81,297	228	81,170
Property, plant and equipment	10,824	4,196	14,318	4,403	421	22,270
Financial assets	2,390	-	2,095	-	4,015	-
Other assets	-	46,615	-	48,754	874	11,926
Provisions for pension and similar obligations	37,105	-	29,152	-	35,095	-
Other provisions	-	1,924	1,121	-	6,550	180
Other liabilities	17,577	2	9,952	-	12,012	1,480
Deferred income taxes on current items						
Inventories	120,069	-	151,432	-	4,669	-
Other assets	366,836	57,978	274,612	481	329,755	59,782
Other provisions	292	34,863	117	73,166	81,214	67
Other liabilities	32,241	460,562	41,686	436,343	75,387	558,897
Valuation allowance – temporary differences	-	-	-	-	-	-
Subtotal	587,526	690,036	524,690	644,444	550,220	735,772
Tax loss carried forward	7,932	-	8,404	-	9,416	-
Foreign tax credits	901	-	931	-	940	-
Valuation allowance – tax loss carried forward etc.	(7,909)	-	(8,387)	-	(9,872)	-
Subtotal	924	-	947	-	485	-
Gross amount before offsetting	588,450	690,036	525,637	644,444	550,705	735,772
Offsetting	565,644	565,644	503,972	503,972	533,060	533,060
Balance sheet amount	22,806	124,392	21,665	140,472	17,645	202,712

As of September 30, 2024, 2023 and 2022 deferred tax assets exceeding deferred tax liabilities of € 2,116 thousand (September 30, 2023: € 1,784 thousand, September 30, 2022: € 1,657 thousand) were recognized by group entities, that suffered a taxable loss in either the current or prior year. This amount mainly results from thyssenkrupp Dock Servicios Navais Ltda., thyssenkrupp Marine Systems Canada Ltd. and thyssenkrupp Marine Systems do Brasil Indústria e Comércio Ltda. The group has concluded that the deferred tax assets will be recoverable using the estimated future profits based on the business plans of the entities.

Deferred tax assets have not been recognized with respect of tax loss carry forwards (gross amounts) as of September 30, 2024, of € 36,477 thousand (September 30, 2023: € 34,506 thousand, September 30, 2022: € 33,094 thousand) and tax credits (gross amounts) as of September 30, 2024, of € 940 thousand (September 30, 2023: € 0 thousand, September 30, 2022: € 0 thousand).

The German corporate income tax law applicable for fiscal year 2023/2024 sets a statutory income tax rate of 31.528 % (fiscal year 2022/2023: 31.528 %, fiscal year 2021/2022: 31.528 %). The applicable tax rates for companies outside Germany range from 9.000 % to 34.000 % (fiscal year 2022/2023: 9.000 % to 34.000 %, fiscal year 2021/2022: 9.000 % to 34.000 %).

Taxable temporary differences associated with investments in entities, associates and joint ventures in the amount of € 3,242 thousand as of September 30, 2024 (September 30, 2023: € 2,367 thousand, September 30, 2022: € 1,806 thousand) have not been recognized.

thousand €	Year ended Sept. 30, 2022	in %	Year ended Sept. 30, 2023	in %	Year ended Sept. 30, 2024	in %
Expected income tax expense	10,308	31.5%	37,640	31.5%	40,585	31.5%
Tax rate differentials to the German combined income tax rate	(962)	-2.9%	557	0.5%	(1,301)	-1.0%
Changes in tax rates or laws	(48)	-0.1%	(325)	-0.3%	(507)	-0.4%
Change in valuation allowance	2,071	6.3%	702	0.6%	905	0.7%
Permanent items	685	2.1%	939	0.8%	(874)	-0.7%
Results from equity investments	169	0.5%	1,394	1.2%	(4)	0.0%
Tax expense/(benefit) related to prior periods	(6,070)	-18.6%	(8,990)	-7.5%	(6,539)	-5.1%
Non-creditable withholding taxes	13,573	41.5%	24,008	20.1%	10,380	8.1%
Others	(95)	-0.3%	723	0.6%	(1,464)	-1.1%
Income tax expense as presented on the statement of income	19,631	60.0%	56,649	47.4%	41,182	32.0%

29 Management Incentive Plans

The Group currently has the following management incentive plans, comprising plans implemented at TKMS Business level.

Long-term incentive program

The long-term incentive plan (LTI) is a long-term oriented compensation component under which stock rights of the ultimate parent of the company (i.e., tk AG) are issued to eligible participants. Plan participants are TKMS Management and several other selected executive employees of the TKMS Business. As of September 30, 2024, 740,047 stock rights were issued of the LTI (September 30, 2022: 574,456 stock rights, September 30, 2021: 422,824 stock rights).

The LTI is granted in annual instalments. At the beginning of each instalment a certain number of stock rights is allocated, initially provisionally. For the LTI instalments issued until fiscal year 2019/2020 the number of stock rights issued was adjusted at the end of a three-year performance period based on the average tk AG Value Added (tkVA) over the period compared to a tkVA target value set in advance. The amount of payment for an instalment was calculated by multiplying the adjusted number of stock rights by the average price of tk AG's stock in the first three months after the end of the tkVA performance period, with the result that the term of each instalment extended over four fiscal years in total.

For the LTI instalments issued as of fiscal year 2020/2021 and until fiscal year 2022/2023 the number of stock rights issued will be adjusted at the end of the respective performance period, which was extended from three to four years, based on the development of the tk AG Groups adjusted EBIT margin over the period compared to target and threshold values set in advance. The amount of payment for an instalment is calculated by multiplying the adjusted number of stock rights by the average price of tk AG's stock in the 30 exchange trading days before the end of the four-year performance period.

For the LTI instalments issued as of fiscal year 2023/2024 the number of stock rights issued will be adjusted at the end of the respective four-year performance period, based on the development of the relative total shareholder return (TSR) (weighting 30%), the return on capital employed (ROCE) (weighting 40%) and sustainability targets (weighting 30%) over the period compared to target and threshold values set in advance. All beforementioned targets relate to tk AG and as the sole sustainability target for the LTI instalment issued fiscal year 2023/2024 the high risk supplier reduction (HSR), showing the

proportion of suppliers classified as potentially risky in the risk analysis performed in accordance with the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) relative to the total population of potentially risky suppliers, was chosen. The amount of payment for an instalment is calculated by multiplying the adjusted number of stock rights by the average price of tk AG's stock in the 30 exchange trading days before the end of the four-year performance period.

The LTI is exclusively settled in cash after the end of the respective performance period. The fair value of these rights is calculated on the date of grant and on each balance sheet date and recognized as an expense on a straight-line basis over the vesting period with a corresponding increase in provisions for other non-current employee benefits. The provision is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the provision are recognized in the Combined Statement of Income.

To determine the fair value of the stock rights used to calculate the pro-rata liability as of the balance sheet date forward prices of the tk AG stock are calculated in consideration of existing caps. The forward calculation is carried out for predefined periods (averaging periods) using the tk AG stock price and the euro interest rate curve as of the balance sheet date and the dividends assumed to be paid until the stock rights reach maturity.

In fiscal year 2023/2024 the Group recorded a total income of €262 thousand from the LTI (fiscal year 2022/2023: expense of €1,161 thousand; fiscal year 2021/2022: income of €566 thousand). The total liability included in provisions for employee benefits arising from the LTI amounts to €1,052 thousand as of September 30, 2024 (September 30, 2023: €1,354 thousand, September 30, 2022: €642 thousand).

Short-term incentive program (STI)

The bonus system until September 30, 2023, comprises a weighting of 60 % company targets and 40 % individual targets. The corporate targets are set and communicated accordingly at the beginning of a financial year. The target achievement is determined at the end of the financial year as part of a target/actual comparison of the KPIs. The target achievement can range from 0% to 200%. The payment is regularly made in January of the following year.

The bonus system from October 1, 2023, includes a weighting of 100 % Company targets. The corporate targets are set and communicated accordingly at the beginning of a financial year. The target achievement is determined at the end of the financial year as part of a planned/actual comparison of the KPIs. The target achievement can range from 0 % to 200 %. The payment is always made in January of the following year.

30 Additional disclosures on the statement of income

Personnel expenses included in the statement of income are comprised of:

thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Wages and salaries	493,683	557,964	615,201
Social security taxes	82,475	88,921	98,112
Net periodic pension cost – defined benefit ¹⁾	13,344	8,076	8,277
Net periodic pension costs – defined contribution	21,709	17,732	19,468
Other expenses for pensions and retirements	12,181	5,149	8,161
Related fringe benefits	775	1,138	1,700
Total	624,167	678,980	750,919

1) Excluding net interest cost that is recognized as part of financial expenses.

The annual average number of employees as of September 30, 2024, was 7,926 (September 30, 2023: 7,127, September 30, 2022: 6,550).

31 Notes to the statement of cash flows

Cash and cash equivalents

The liquid funds considered in the Combined Statement of Cash Flows correspond with cash and cash equivalents as presented in the Combined Statement of Financial Position and comprises of the current cash accounts in bank and on hand. There are no restricted cash or cash collaterals as of September 30, 2024, 2023, and 2022.

The maximum exposure to credit risk on cash and cash equivalents is equal to the respective book value.

Non-cash investing activities

In the year ended September 30, 2024, a non-cash addition of €19,097 thousand (September 30, 2023: €5,001 thousand, September 30, 2022: €4,647 thousand) results from right-of-use assets according to IFRS 16.

Financing activities

In the periods under consideration cashflows from financing activities primarily comprise of cash flows from redemption of lease liabilities, cashflows received in connection with profit or loss transfer agreements (profit loss transfers received (paid)) and transactions with tk Group.

In all periods under consideration transactions with tk Group include transactions assumed to be immediately settled through equity, in particular in connection with the separate tax payer approach applied in these Combined Financial Statements (for details see Note 1.4 "Income taxes and deferred taxes"). In fiscal year 2023/2024 transactions with tk Group further reflect payments made for transfers of shareholding in connection with the legal reorganization in a total amount of €633,877 thousand (cf. Note 21).

Changes of liabilities from financing activities

The following tables show the changes of liabilities from financing activities including the changes of cash flows and non-cash items:

RECONCILIATION IN ACCORDANCE WITH IAS 7							
	Oct. 1, 2021	Cash flows from financing activities	Operating cash flows	Non-cash changes			Sept. 30, 2022
thousand €		Principal portion	Interest paid	Currency differences	Additions	Other changes	
Lease liabilities	38,836	(7,503)	(1,233)	249	5,331	(667)	35,013
Liabilities to financial institutions	-	(39)	(1)	-	-	40	-
Total	38,836	(7,542)	(1,234)	249	5,331	(627)	35,013

RECONCILIATION IN ACCORDANCE WITH IAS 7

	Sept. 30, 2022	Cash flows from financing activities	Operating cash flows	Non-cash changes			Sept. 30, 2023
thousand €		Principal portion	Interest paid	Currency differences	Additions	Other changes	
Lease liabilities	35,013	(7,910)	(1,276)	(263)	5,209	970	31,743
Liabilities to financial institutions	-	197	(8)	-	(152)	115	152
Total	35,013	(7,713)	(1,284)	(263)	5,057	1,085	31,895

RECONCILIATION IN ACCORDANCE WITH IAS 7							
	Sept. 30, 2023	Cash flows from financing activities	Operating cash flows	Non-cash changes			Sept. 30, 2024
thousand €		Principal portion	Interest paid	Currency differences	Additions	Other changes	
Lease liabilities	31,743	(9,999)	(1,421)	(130)	19,073	(6,526)	32,740
Liabilities to financial institutions	152	192	(1)	(10)	-	84	417
Total	31,895	(9,807)	(1,422)	(140)	19,073	(6,442)	33,157

Leases in the statement of cash flows

In the statement of cash flows, the interest component of the leases carried in the balance sheet is shown under operating cash flows. The repayment component of leases is shown under cash flows from financing activities. In the year ended September 30, 2024, the total cash outflows of the Group as a lessee in the statement of cash flows amounted to €9,999 thousand (September 30, 2023: €7,910 thousand, September 30, 2022: €7,503 thousand). Expenses from short-term leases and from leases for low-value assets are shown under cash flows from operating activities (cf. Note 17).

32 Adjusted Earnings before Interest and Taxes (Adjusted EBIT)

At the group level, the TKMS Business's key performance indicators (KPIs) are Sales and Adjusted EBIT (Earnings Before Interest and Taxes). These KPIs are consistent with those historically reported for the Marine Systems (MS) Business within the consolidated financial statements of the tk Group.

TKMS Management Board provides information on adjusted earnings before interest and taxes (adjusted EBIT) because it uses this performance indicator at group level for management purposes and considers it essential for understanding the earnings situation.

Adjusted EBIT is not a performance measure defined in the IFRS accounting standards. The Group's definition of adjusted EBIT may not be comparable to similarly titled performance measures and disclosures used by other companies.

Adjusted EBIT is derived from income from operations as presented in the Combined Statement of Income, with adjustments for:

- (i) expenses related to the tk Group trademark,
- (ii) income and expenses from at-equity valuations, and
- (iii) special items such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, and selected transaction related costs, including but not limited to merger & acquisition-related costs or costs incurred in connection with capital market transactions.

The reconciliation of Income/(loss) from operations to Adjusted EBIT is presented below:

RECONCILIATION PROFIT/(LOSS) FROM OPERATIONS TO ADJUSTED EBIT			
thousand €	Year ended Sept. 30, 2022	Year ended Sept. 30, 2023	Year ended Sept. 30, 2024
Profit/(loss) from operations	31,650	81,309	78,445
tk Group trademark fee	1,018	1,760	4,325
(Income) / expense from at-equity valuation	(6,165)	1,563	2,343
Other special items	7,166	3,073	471
Adjusted EBIT	33,669	87,705	85,585

The other special items comprise restructuring expenses in fiscal year 2023/2024 in the amount of €115 thousand (fiscal year 2022/2023: €2,927 thousand, fiscal year 2021/2022: €1,267 thousand), impairment reversals in fiscal year 2023/2024 in the

amount of €1,937 thousand (fiscal year 2022/2023: €615 thousand, fiscal year 2021/2022 impairment loss: €6,304 thousand) and selected merger & acquisition-related consulting costs in fiscal year 2023/2024 in the amount of €3,180 thousand (fiscal year 2022/2023: €560 thousand, fiscal year 2021/2022 income: €259 thousand).

33 Subsequent events

Business related events

On December 18, 2024, TKMS Business on the basis of the parliamentary approval from the German Bundestag and the Federal Government signed a contract for the procurement of four more submarines of the Type 212CD in the German Norwegian submarine program for the Bundeswehr.

Following a Europe-wide tender process, on December 19, 2024, TKMS GmbH was awarded the contract for the construction of the research icebreaker 'Polarstern' in the amount of €1,2 billion by the Alfred Wegener Institute. The 'Polarstern' is being built in Wismar, and delivery to the scientific community is planned for 2030.

On June 27, 2025, TKMS Business signed a major contract with the Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support for the modernization of six Type 212A submarines valued at over €800 million and extending over ten years.

On May 7, 2025, TKMS Business entered into a contract with Singapore's Defence Science and Technology Agency for the construction of two additional Type 218SG submarines. This contract will be executed using existing production capacity in Germany.

After the reporting date, NVL B.V. & Co. KG initiated arbitration proceedings against TKMS GmbH in connection with the Corvette Program K130. NVL has currently made claims in a higher a double-digit Euros amount and is seeking recognition of TKMS GmbH's liability for damages allegedly arising from delays in the project. The total claims may increase as the proceedings progress. Based on current information and legal assessments, management believes that risk provisions recorded are adequate to cover the associated risks.

In relation to arbitration proceedings concerning claims raised by Hyundai Heavy Industries Co. Ltd. (HHI) against TKMS GmbH regarding a submarine motor, the TKMS Business obtained a ruling from the International Chamber of Commerce (ICC) in favour of HHI in July 2025. The ruling stipulates that TKMS GmbH is required to make payments to HHI, covering both damages and accrued interest, amounting to a high single-digit million euros. This ruling has had a corresponding impact on the profit and loss statement for the same amount in fiscal year 2024/2025.

As part of its regular project reviews, the Group continuously reassesses the estimated total contract costs for all projects. For certain legacy projects, this reassessment considered recent developments in the production process, leading in some cases to changes in the total estimated contract costs. For contracts identified as onerous, any change in estimated costs generally is recognized immediately, which resulted in a reduction of the gross margin of the affected contracts by approximately EUR 23 million in the interim period for the nine months ended June 30, 2025.

Legal Reorganization of TKMS Business

At an extraordinary meeting held on June 20, 2025, the Supervisory Board of tk AG approved the tk AG's Executive Board's plans to spin off of a 49% minority interest in the future TKMS Group.

In relation to the establishment of the spin-off structure the following certain reorganization steps have been executed between October 1, 2024 and the date of authorization of these Combined Financial Statements:

- Effective May 21, 2025 the Company' general partner TKMS Management AG, which was previously organized as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) and operated under the company name "thyssenkrupp Projekt 10 GmbH", was formed by way of a change of legal form after all interest in thyssenkrupp Projekt 10 GmbH were sold and transferred from tk AG to tkTB.

- Effective June 26, 2025 the Company changed its legal form limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) to a partnership limited by shares with a stock corporation (TKMS Management AG) as general partner (*Kommanditgesellschaft auf Aktien & Co. AG*). In connection with this change, the shareholders also approved a cash capital increase in the amount of € 32,375 thousand. In June 2025 thyssenkrupp AG approved a cash contribution into TKMS Beteiligungsgesellschaft mbH in the amount of € 31,105 thousand.
- On July 1, 2025, tkTB sold and transferred its entire 89.9% shareholding in TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH of these 89.9%.
- On July 1, 2025, tk AG sold and transferred its entire shareholding in transrapid to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH.
- On July 1, 2025, tkTB sold and transferred its 14.9% shareholding in TKMS ATLAS ELEKTRONIK GmbH to TKMS GmbH with effect from July 1, 2025.
- Share purchase and transfer agreements were signed on July 1, 2025, for the minority shareholdings of thyssenkrupp AG in TKMS GmbH and TKMS ATLAS ELEKTRONIK GmbH as well as thyssenkrupp Holding Germany GmbH in TKMS Wismar GmbH, each amounting to 10.1%. The relevant share purchase and transfer agreements stipulate that the legal effectiveness of the agreements for the transfer of the aforementioned minority shareholdings is in each case subject to the condition precedent that the spin-off takes effect.
- Effective July 17, 2025, the Company, which was previously organized as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) and operated under the company name “thyssenkrupp Projekt 2 GmbH”, has been converted into a partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA) by way of a change of legal form after tkTB has acquired from tk AG all interest in the Company in February 2025. Hence, tkTB holds all shares of the Company until the effectiveness of the spin-Off.
- The estimated purchase prices for the share transfers executed in preparation for the spin-off are based on external valuations and amount to approximately €2,030 million in total. The purchase price for the shares in TKMS GmbH has initially been determined on a preliminary basis on July 1, 2025, because any transfer of losses or profits under the profit and loss sharing agreement effective until September 30, 2025 is intended to be taken into account in the purchase price.
- The purchase price will be partially financed through contributions of approximately €634 million from tkTB to the Company, and €609 million from tk AG to TKMS Beteiligungsgesellschaft mbH, with no shares being issued in either case. The remaining portion of the purchase price will effectively be funded through TKMS Business’s positive cash pool balance and will have a negative impact on TKMS Business’s invested equity.
- On August 8, 2025, tk AG's shareholders approved the spin-off of its marine business, TKMS, during an Extraordinary General Meeting with an approval rate of 99,96%.

Grant of Revolving Credit Facility

On June 24, 2025, tk AG granted TKMS GmbH a €300 million Revolving Credit Facility with a 3-year tenor, starting from October 1, 2025 until September 30, 2028. The Revolving Credit Facility Agreement may be transferred from TKMS GmbH to TKMS AG & Co. KGaA after the spin-off.

Bilateral Guarantee Facilities

Multiple bilateral Guarantee Facility Agreements with an international group of banks and insurance companies to issue guarantees to the Group’s customers, in relation to the Group’s projects in excess of a volume of €2.5 billion were signed in June and July 2025. These Agreements are at market rate and uncommitted and can be utilized to issue guarantees to the

Group's customers. by the banks. Consequently, any costs will only be incurred when the Guarantee Facility Agreements are utilized after the spin-off in relation to customer projects.

New licensing agreement

Effective March 31, 2025, TKMS GmbH entered into a new licensing agreement with tk AG, resulting in the termination of the historical brand invoicing model. The new licensing agreement grants TKMS Business the indefinite right to use licensed trademarks "TKMS". Following the new licensing agreement, TKMS Business will recognize an intangible asset in accordance with IAS 38, effective from June 4, 2025. This intangible asset in the amount of €26,6 million will be recognized at acquisition cost in the Combined Financial Statements and will be tested for impairment annually.

Framework Agreement

On June 23, 2025, the Company and tk AG entered into an agreement, in which the future relationship, particularly the cooperation, alignment and collaboration on certain matters have been agreed upon between the parties thereto. This agreement will take effect on the day after the Spin-off takes effect through registration in both of tk AG's commercial registers. tk AG and the Company have agreed to cooperate and align on certain matters, *inter alia*, to support each other in fulfilling their respective legal obligations. Furthermore, the Company and tk AG have agreed that the business relationships existing between them or their relevant group entities should in future – as is already the case at present – be at standard market conditions and therefore comply with the arm's length principle. The Framework Agreement has an initial fixed term until the expiry of the calendar year 2040.

Conclusion of new service level agreements

tk Group entities will provide various services to TKMS Group based on service level agreements (SLA). The services that tk Group will provide to TKMS Group during the term of the SLAs, beginning from October 1, 2025, relate to general and administrative services such as intellectual property, information technology, insurance covering, accounting, human resources, taxes, real estate, legal & compliance, purchasing & supply chain management, tax, M&A services or pension management. TKMS Group and tk Group have agreed that the external services agreements should be at standard market conditions and therefore comply with the arm's length principle. As such, costs historically charged to the TKMS Business may differ from the costs which will be charged to the Group in the future based on the re-negotiated terms. Therefore, the cost structure as reflected in these Combined Financial Statements may not be representative for the future in this regard. In addition, the Group is also establishing new functions in conjunction with the separation and the spin-off which will further increase the cost base.

Change in the TKMS Management Board

Effective June 1, 2025, Angelika Kambeck has joined the TKMS Management Board taking over the role of the Chief Human Resources Officer (CHRO) succeeding Bernd Hartmann following his retirement.

German tax law changes

In Germany, a tax law change has been substantively enacted after the reporting date to reduce the corporate income tax rate from 15% to 10% within a 5 year period starting in the tax assessment period 2028. The corporate income tax rate will be reduced by 1 percentage point in each of the five tax assessment periods resulting in a corporate income tax rate of 10% applicable to tax assessment periods beginning in 2032. The reduction of the corporate income tax rate requires a remeasurement of the deferred tax positions. TKMS Business is currently assessing its exposure to this tax rate change. At reporting date, the tax rate change effect is not reasonably estimable as the assessment has not been finalized.

Termination of cash pooling participation

TKMS GmbH and the TKMS Business entities are currently included in the group-wide cash pooling system of the tk Group, to the extent legally permissible. As part of the Spin-off, it is planned to terminate the participation of TKMS Business entities in this cash pooling system by no later than 30 September 2025. Consequently, TKMS GmbH and the other entities within the future TKMS Group will no longer participate in the tk Group's cash pooling system starting from the 2025/2026 financial year, beginning on 1 October 2025. Upon termination of their inclusion in the cash pooling system, the financing relationship with the tk Group will be discontinued. Following their departure from the tk Group's cash pooling system, the liquidity needs

of the TKMS Group entities will be managed through the TKMS Group's own liquidity management system. A separate cash pooling system is planned to be established within the TKMS Group, which will commence immediately after leaving the tk Group's cash pooling system.

Kiel, September 3, 2025

Management Board of TKMS AG & Co. KGaA and Management Board of TKMS GmbH
TKMS AG & Co. KGaA represented by the Managing Board of TKMS Management AG

Oliver Burkhard

Paul Glaser

Angelika Kambeck

Dr. Dirk Steinbrink

Independent Auditor's Report

To TKMS GmbH, Kiel

Opinion

We have audited the accompanying combined financial statements for the "TKMS Business" of thyssenkrupp AG, Essen, ("TKMS Business") as described in Note 1.1 "Purpose and content of the Combined Financial Statements" of the notes to the combined financial statements, which comprise the Combined Statement of Financial Position as at September 30, 2024, as at September 30, 2023 and as at September 30, 2022, the Combined Statement of Income, Combined Statement of Comprehensive Income, Combined Statement of Changes in Equity and Combined Statement of Cash Flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined financial position of the TKMS Business as at September 30, 2024, as at September 30, 2023 and as at September 30, 2022 and of its combined financial performance and its combined cash flows for the years then ended in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards"), as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Combined Financial Statements" section of our report. We are independent of the TKMS Business in accordance with the International Ethics Standards Board for Accountants' "Code of Ethics for Professional Accountants (IESBA Code)" together with the ethical requirements that are relevant to our audit of the combined financial statements in Germany, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 1.3 "Basis of preparation" and to Note 1.4 "Specific considerations reflected in Combined Financial Statements" of the notes to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them, and the fact that the TKMS Business has not operated as a separate group of entities. Consequently, the combined financial statements may not necessarily be indicative of the financial performance that would have been achieved if the TKMS Business had operated as an independent group of entities, nor may they be indicative of the results of operations of the TKMS Business for any future period.

Our opinion is not modified in respect of this matter.

Responsibilities of Management of TKMS GmbH for the Combined Financial Statements

Management of TKMS GmbH is responsible for the preparation and fair presentation of the combined financial statements in accordance with IFRS Accounting Standards, as adopted by the EU and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, Management is responsible for assessing the TKMS Business' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the TKMS Business or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. 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 combined financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, 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 opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 TKMS Business's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of TKMS GmbH 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 TKMS Business's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. 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 TKMS Business to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the TKMS Business to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the audit of combined financial statements. We remain solely responsible for our audit opinion.

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.

Cologne, 4 September 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Kadlubowski
Wirtschaftsprüfer
[German Public Auditor]

Cremer
Wirtschaftsprüfer
[German Public Auditor]

TKMS Business

Condensed Combined Interim Financial Statements

as of and for the nine month period ended June 30, 2025

TKMS Business – Combined Statement of Financial Position

thousand €	Note	Sept. 30, 2024	Jun. 30, 2025
Goodwill		1,043,676	1,043,676
Intangible assets other than goodwill		270,780	286,139
Property, plant and equipment		487,946	486,428
Investments in equity-accounted investees		6,249	8,080
Other financial assets	5	14,441	10,736
Other non-financial assets		93,765	108,531
Deferred tax assets		17,645	14,404
Total non-current assets		1,934,502	1,957,994
Inventories	4	244,629	327,449
Trade accounts receivable	5	281,019	232,211
Contract assets	4,5	401,349	453,021
Other financial assets	5	1,346,202	1,138,878
Other non-financial assets	4	594,999	761,403
Current income tax assets		5,664	5,662
Cash and cash equivalents	4,5	122,037	1,009,548
Total current assets		2,995,899	3,928,172
Total assets		4,930,401	5,886,166
Equity and liabilities			
Invested equity attributable to tk Group		1,676,319	1,803,934
Cumulative other comprehensive income		(89,500)	(95,512)
Equity attributable to tk Group		1,586,819	1,708,422
Invested equity attributable to non-controlling interests		11,198	12,402
Total equity		1,598,017	1,720,824
Provisions for pension and similar obligations		366,502	347,105
Provisions for other non-current employee benefits		12,182	15,827
Other provisions, non-current		5,609	539
Deferred tax liabilities		202,712	243,217
Lease liabilities, non-current	5	26,990	25,564
Other financial liabilities, non-current	5	14,556	13,734
Total non-current liabilities		628,551	645,986
Provisions for current employee benefits		36,658	33,210
Other provisions, current		354,082	369,104
Current income tax liabilities		13,676	14,310
Lease liabilities, current	5	5,750	7,278
Trade accounts payable	4,5	411,395	580,768
Other financial liabilities, current	5	122,829	142,832
Contract liabilities	4	1,543,282	2,143,233
Other non-financial liabilities		216,161	228,621
Total current liabilities		2,703,833	3,519,356
Total liabilities		3,332,384	4,165,342
Total equity and liabilities		4,930,401	5,886,166

TKMS Business – Combined Statement of Income

thousand €	Note	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025
Sales	7,8	1,413,822	1,587,228
Cost of sales		(1,175,923)	(1,312,900)
Gross margin	7	237,899	274,328
Research and development cost		(33,563)	(34,838)
Selling expenses		(57,737)	(55,344)
General and administrative expenses		(82,711)	(96,587)
Other income		20,990	28,971
Other expenses		(29,252)	(31,164)
Income from operations	4	55,626	85,366
Income (loss) from companies accounted for using the equity-method		2,001	1,831
Finance income		54,289	52,603
Finance expenses		(15,464)	(25,621)
Financial income/(expense), net	4	40,826	28,813
Income before tax		96,452	114,179
Income tax (expense)/income	4	(34,354)	(39,015)
Net income		62,098	75,164
Thereof:			
attributable to tk Group		59,455	73,157
attributable to non-controlling interests		2,643	2,007
Earnings per share (in EUR) for profit for the period attributable to shareholders based on the planned capital structure of TKMS AG & Co. KGaA			
Basic		0.94	1.15
Diluted		0.94	1.15

TKMS Business – Combined Statement of Comprehensive Income

thousand €	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025
Net income	62,098	75,164
Items of other comprehensive income that will not be reclassified to profit or loss in future periods:		
Remeasurements of pensions and similar obligations	(12,290)	11,230
Items of other comprehensive income that could be reclassified to profit or loss in future periods:		
Cash flow hedges	4,472	(3,659)
Foreign currency translation adjustment	(7,835)	(11,168)
Other comprehensive income/(loss)	(15,653)	(3,596)
<i>Thereof: tax effect</i>	<i>6,233</i>	<i>(2,046)</i>
Total comprehensive income/(loss) for the period	46,445	71,568
Thereof:		
attributable to tk Group	44,815	70,287
attributable to non-controlling interests	1,631	1,280

TKMS Business – Combined Statement of Changes in Equity

thousand €

	Invested equity attributable to tk Group	Remeasurements of pensions and similar obligations	Foreign currency translation adjustment	Cash flow hedges	Total equity attributable to tk Group	Invested equity attributable to Non-controlling interests	Total equity
Balance as of Sept. 30, 2023	2,131,700	(49,613)	10,050	(30,459)	2,061,677	9,833	2,071,510
Net income/(loss)	59,455				59,455	2,643	62,098
Other comprehensive income	-	(12,290)	(6,822)	4,472	(14,640)	(1,012)	(15,653)
Total comprehensive income	59,455	(12,290)	(6,822)	4,472	44,815	1,630	46,445
Dividends & profit and loss transfers with TKMS Business's equity holders	-				-		-
Transactions with tk Group	(48,003)				(48,003)		(48,003)
Basis adjustment				(5,702)	(5,702)		(5,702)
Balance as of Jun. 30, 2024	2,143,152	(61,903)	3,228	(31,689)	2,052,788	11,463	2,064,250
Balance as of Sep. 30, 2024	1,676,319	(67,690)	1,198	(23,007)	1,586,819	11,198	1,598,017
Net income/(loss)	73,157				73,157	2,007	75,164
Other comprehensive income	-	11,230	(10,441)	(3,659)	(2,870)	(727)	(3,596)
Total comprehensive income	73,157	11,230	(10,441)	(3,659)	70,287	1,280	71,568
Dividends & profit and loss transfers with TKMS Business's equity holders	-				-		-
Transactions with tk Group	54,381				54,381		54,381
Basis adjustment				(3,143)	(3,143)		(3,143)
Transfer in equity	77				77	(77)	-
Balance as of Jun. 30, 2025	1,803,934	(56,460)	(9,243)	(29,810)	1,708,422	12,402	1,720,824

TKMS Business – Combined Statement of Cash Flows

thousand €	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025
Net income/(loss)	62,098	75,164
Adjustments to reconcile net income/(loss) to operating cash flows:		
Deferred income taxes, net	62,329	40,998
Depreciation, amortization and impairment of non-current assets	51,452	54,091
Reversals of impairment losses of non-current assets	(73)	22
Income (loss) from companies accounted for using the equity-method	(2,001)	(1,831)
(Gain)/loss on disposal of non-current assets	(47)	(79)
Changes in assets and liabilities, net of non-cash effects:		
– Inventories	(44,823)	(83,474)
– Trade accounts receivable	(17,984)	46,987
– Contract assets	(23,346)	(60,364)
– Provisions for pension and similar obligations	(3,659)	(2,989)
– Other provisions	(8,077)	10,838
– Trade accounts payable	(72,961)	176,865
– Contract liabilities	59,669	613,260
– Other assets/liabilities not related to investing or financing activities	(95,908)	(150,658)
Operating cash flows	(33,331)	718,830
Purchase of investments accounted for using the equity method and non-current financial assets	(15)	-
Capital expenditures regarding property, plant and equipment (inclusive of advance payments)	(46,724)	(46,171)
Capital expenditures regarding intangible assets (inclusive of advance payments)	(11,184)	(41,725)
Proceeds from disposals of property, plant and equipment, intangible assets, investments accounted for using the equity method and other non-current assets	1,217	181
Cash pool withdrawals (deposits)	44,724	70,617
Cash flows from investing activities	(11,982)	(17,098)
Proceeds from / repayments of liabilities to financial institutions	(147)	122
Cash flows from redemption of lease liabilities	(4,853)	(5,206)
Profit loss transfers received (paid)	51,515	147,240
Transactions with tk Group	(46,812)	50,358
Cash flows from financing activities	(297)	192,514
Net increase/(decrease) in cash and cash equivalents	(45,610)	894,246
Effect of exchange rate changes on cash and cash equivalents	(9,422)	(6,735)
Cash and cash equivalents at beginning of year	150,914	122,037
Cash and cash equivalents at end of year	95,882	1,009,548
Additional information regarding interest and income tax amounts included in operating cash flows:		
Income tax paid	(20,965)	(399)
Interest received	51,771	48,520
Interest paid	(3,584)	(3,789)

TKMS Business – Explanatory Notes to the Condensed Combined Interim Financial Statements

1 General Information

The Executive Board of thyssenkrupp AG (hereinafter “tk AG” or together with its subsidiaries “tk Group”) has made the decision to evaluate a minority spin-off of its Marine Systems Segment (hereinafter referred to as “TKMS Business”, “Marine Systems,” “MS,” or “Marine Systems Business”) and has started preparations for a separate stock-exchange listing of the future TKMS AG & Co. KGaA Group (hereinafter referred to as the “TKMS Group” or “the Group”) with TKMS AG & Co. KGaA (formerly thyssenkrupp Projekt 2 GmbH) as the listed holding company (hereinafter referred to as the “TKMS Holding” or “the Company”). TKMS Holding with registered office located at thyssenkrupp Allee 1, 45143 Essen is registered with the commercial register of the District Court of Essen under No. HRB 32710 and did not have any operating business in the past and the historical periods presented.

The finalization of the spin-off structure will be achieved in a sequence of the following steps executed after June 30, 2025:

- (1) Legal reorganization of the shareholdings in TKMS GmbH currently held by tk AG (10,1%) and tkTB (89,9%) to (i) TKMS AG & Co. KGaA, resulting in a 51% interest in TKMS GmbH by tk AG which corresponds with tk AG’s majority interest to be retained after spin-off and (ii) to thyssenkrupp Projekt 9 GmbH (“TKMS Beteiligungsgesellschaft mbH”), a 100% subsidiary of tk AG, resulting in a 49% interest in TKMS GmbH which corresponds with the minority interest subject to spin-off;
- (2) Legal reorganization of the shareholdings in transrapid currently held by tkTB (100%) to (i) TKMS Holding, resulting in a 51% interest in transrapid by tk AG which corresponds with tk AG’s majority interest to be retained after spin-off and (ii) to TKMS Beteiligungsgesellschaft mbH resulting in a 49% interest in transrapid which corresponds with the minority interest subject to spin-off;
- (3) Sale and transfer of remaining minority interests in Marine Systems companies currently held by tk AG or its direct and indirect subsidiaries to TKMS GmbH;
- (4) Spin-off of 100% of the interest in TKMS Beteiligungsgesellschaft mbH, holding 49% interest in TKMS GmbH by tk AG (transferring entity) to TKMS Holding (acquiring entity) (Abspaltung zur Aufnahme).

Given that the TKMS Business was not a group in accordance with IFRS 10 prior to the completion of the legal reorganization of TKMS Holding there is no historical financial information for the TKMS Business that reflects the entire operations of the TKMS Business. Therefore, the management board of TKMS GmbH, which is identical to the management board of TKMS AG & Co. KGaA, (hereinafter referred to as the “Managing Board of TKMS”, “TKMS Management” or “TKMS Management Board”) has prepared these Condensed Combined Interim Financial Statements (hereinafter referred to as “Condensed Combined Interim Financial Statements”).

The Company's and TKMS Business's fiscal year ends on September 30 of each calendar year.

2 Summary of significant accounting policies

Basis of preparation

The Condensed Combined Interim Financial Statements as of and for the nine month period ended June 30, 2025 have been prepared in accordance with the provisions of IAS 34 Interim Financial Reporting and on the same basis of preparation as the Combine Financial Statements for the fiscal years ended September 30, 2024, 2023 and 2022 unless stated otherwise in this section. They are in line with the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) for interim financial information effective within the European Union. Accordingly, these financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The basis for the Condensed Combined Interim Financial Statements comprises the Combined Financial Statements for the Marine Systems Business as of September 30, 2024, and should therefore not be read separately but only in combination with each other. The accounting and measurement principles applied in the Condensed Combined Interim Financial Statements, as well as the material judgments and estimates, comply with the methods applied in the Combined Financial Statements as of September 30, 2024, except for the following areas:

- Income tax expense is recognized based on TKMS Management's estimates of the weighted average effective annual income tax rate expected for the full financial year as well as any items recognized discreetly in the respective interim reporting period.
- Application of the mandatory new accounting standards described below.

This set of Condensed Combined Interim Financial Statements of the TKMS Business was authorized for issue by the management board of TKMS AG & Co. KGaA and the management board of TKMS GmbH on September 24, 2025.

Mandatory adoption of new accounting standards

The following amendments to financial reporting standards were applied for the first time as of October 1, 2024. The amendments had no material impact on the TKMS Business's financial position or results of operations.

- Amendments to IAS 1 "Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", issued in January 2020 and October 2022, respectively, initial application in fiscal year 2024 / 2025
- Amendments to IFRS 16 "Leases: Lease Liability in a Sale and Leaseback", issued in September 2022, initial application in fiscal year 2024 / 2025
- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments Disclosures: Supplier Finance Arrangements", issued in May 2023, initial application in fiscal year 2024 / 2025

3 General information and recent developments

Business

On December 18, 2024, TKMS Business on the basis of the parliamentary approval from the German Bundestag and the Federal Government signed a contract for the procurement of four more submarines of the Type 212CD in the German Norwegian submarine program for the Bundeswehr. In this context the TKMS Business received advance payments of €840 million (net of value-added-tax). The payment was deposited into a separate bank account, and the related cash balances are restricted exclusively for 212CD project-related expenditures.

Following a Europe-wide tender process, on December 19, 2024, TKMS GmbH was awarded the contract for the construction of the research icebreaker 'Polarstern' in the amount of €1,2 billion by the Alfred Wegener Institute. The 'Polarstern' is being built in Wismar, and delivery to the scientific community is planned for 2030.

On May 7, 2025, TKMS Business entered into a contract with Singapore's Defence Science and Technology Agency for the construction of two additional Type 218SG submarines. This contract will be executed using existing production capacity in Germany.

On June 27, 2025, TKMS Business signed a major contract with the Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support for the modernization of six Type 212A submarines valued at over €800 million and extending over ten years.

General Measures implemented in preparation of the IPO

tk Group entities will provide various services to TKMS Group based on service level agreements (SLA). The services that tk Group will provide to TKMS Group during the term of the SLAs, beginning from October 1, 2025, relate to general and administrative services such as intellectual property, information technology, insurance covering, accounting, human resources, taxes, real estate, legal & compliance, purchasing & supply chain management, tax, M&A services or pension management. TKMS Group and tk Group have agreed that the external services agreements should be at standard market conditions and therefore comply with the arm's length principle. As such, costs historically charged to the TKMS Business may

differ from the costs which will be charged to the Group in the future based on the re-negotiated terms. Therefore, the cost structure as reflected in these Condensed Combined Interim Financial Statements may not be representative for the future in this regard. In addition, the Group is also establishing new functions in conjunction with the separation and the spin-off which will further increase the cost base.

Further, tk Group issues so called parent company guarantees (hereafter "PCG") to the TKMS Business's customers in connection with the TKMS Business's projects, which result in PCG guarantees fees calculated at a fixed fee (i.e. regardless of the guaranteed amount) by PCG that are charged onwards to TKMS Business. The fees charged for the guarantees have been included in profit or loss with their historical amounts which were based on the directly attributable cost of €85 thousand per PCG incurred at tk Group. In connection with the contemplated spin-off the terms and conditions of the PCG have been renegotiated effective fiscal year 2025/2026. Under the re-negotiated terms tk Group continues to charge a fixed fee by PCG in an amount which increases year-over-year. While existing PCG will remain in place after the spin-off, it is not intended to make use of new PCG with respect to new contracts entered into by TKMS Group after the spin-off. With respect to new projects concluded after the spin-off it is expected that TKMS Business and its customer will find individual guarantee solutions that will meet the contractual requirements, such as bank guarantees. Guarantee costs therefore are expected to significantly increase in subsequent periods after the spin-off. Therefore, the amounts included in the Condensed Combined Interim Financial Statements are not indicative of future performance of the TKMS Group and do not necessarily reflect what its net assets, financial position, results of operations, capital structure and cash flows would have been had the TKMS Business operated as an independent stand-alone group during the periods presented.

The legal rights to the "thyssenkrupp" brand are held by tk AG. Distinctive elements of the brand include the use of lowercase lettering, a specific logo, font, and color scheme. Historically, tk AG entered into licensing agreements with its subsidiaries, granting them non-exclusive rights to use the "thyssenkrupp" brand (referred to as the "Historical Brand Invoicing Model"). Responsibility for brand maintenance, licensing, and related activities rested solely with tk AG. Under this model, subsidiaries paid an annual corporate mark fee, calculated as a percentage of their sales revenues. These fees are reflected in the Condensed Combined Interim Financial Statements for the Dedicated Entities included in the scope of the combination.

Prior to the spin-off, tk AG, as licensor, and TKMS Holding, as licensee, effective March 31, 2025 entered into a new license agreement ("New License Agreement") to ensure TKMS Holding retains the right to use the recently launched new "TKMS" brand following the completion of the spin-off. Under this agreement, TKMS Holding received an indefinite right to use the "TKMS" brand name and logos in exchange for a one-time payment in the amount of €26,600 thousand reflecting the fair value of the usage rights. The corresponding intangible asset which was recognized effective from June 4, 2025 at acquisition cost in the Condensed Combined Interim Financial Statements is subject to annual impairment testing. The New License Agreement superseded the Historical Brand Invoicing Model.

Legal steps implemented in preparation of the IPO

In relation to the establishment of the spin-off structure the following certain reorganization steps were implemented in the nine month period ended June 30, 2025:

- Effective May 21, 2025 the Company' general partner TKMS Management AG, which was previously organized as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) and operated under the company name "thyssenkrupp Projekt 10 GmbH", was formed by way of a change of legal form after all interest in thyssenkrupp Projekt 10 GmbH were sold and transferred from tk AG to thyssenkrupp Technologies Beteiligungen GmbH (tkTB).
- Effective June 26, 2025 the Company changed its legal form limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) to a partnership limited by shares with a stock corporation (TKMS Management AG) as general partner (*Kommanditgesellschaft auf Aktien*). In connection with this change, the shareholders also approved a cash capital increase in the amount of €32,375 thousand. In June 2025 tk AG approved a cash contribution into TKMS Beteiligungsgesellschaft mbH in the amount of €31,105 thousand.

4 Discussion of significant transactions and developments

Combined Statement of Financial Position

Cash and cash equivalents increased significantly from €122,037 thousand as of September 30, 2024 to €1,009,548 thousand as of June 30, 2025. The increase is mainly driven by the advance payment received with respect to the 212CD contract extension (cf. Note 3). The payment was deposited into a separate bank account, and the related cash equivalent balances comprising of the principal and interest accrued are restricted exclusively for 212CD project-related expenditures. As of June 30, 2025 restricted cash amounts to €851,520 thousand (September 30, 2024: €0 thousand). The increase is further driven by the cash capital contribution in the total amount of €63,480 thousand to the Company and TKMS Beteiligungsgesellschaft mbH as part of the implementation of the spin-off structure (cf. Note 3).

The advance payments received with respect to new extension orders, compensated by production progress made on existing projects in the nine month period ended June 30, 2025, are the key driver for the increase of contract liabilities from €1,543,282 thousand as of September 30, 2024 to €2,143,233 thousand as of June 30, 2025.

Contract assets increased from €401,349 as of September 30, 2024 to €453,021 thousand as of June 30, 2025 reflecting further production progress made with respect to existing long-term and large-scale projects.

Other non-financial assets increased from €594,999 thousand as of September 30, 2024 to €761,403 thousand as of June 30, 2025 mainly due to an increase of advance payments to suppliers in connection with production progress of existing long-term, large-scale projects.

The increase of inventories from €244,629 thousand as of September 30, 2024 to €327,449 thousand as of June 30, 2025 is driven by higher production levels and associated build-up of working capital.

The increase of trade accounts payables from €411,395 thousand as of September 30, 2024 to €580,768 thousand as of June 30, 2025 reflects higher production levels and associated build-up of working capital as well as timing effects and normal cyclical movements in project execution.

Combined Statement Income

Income from operations increased from €55,626 thousand in the nine month period ended June 30, 2024 to €85,366 thousand in the nine month period ended June 30, 2025, primarily due to an increase of gross margin driven by different developments of the segments. Gross margin in the Submarines segment increased driven by higher production volumes and progress combined with a higher share of higher margin projects. Gross margin in the Atlas Electronics segment increased, driven by an increase in sales at largely stable margins. Gross margin in the Surface Vessels segment decreased mainly due to decreased sales and a lower proportion of projects with higher project gross margins. Further information on segments is provided in Note 8.

Financial income/(expense), net decreased from €40,826 thousand in the nine month period ended June 30, 2024 to €28,813 thousand in the nine month period ended June 30, 2025, mainly due to increased finance expenses driven by interest expensed payable in connection with a ruling from the International Chamber of Commerce (ICC) in favour of HHI in July 2025 (cf. Note 6).

Income tax expense is recognized based on TKMS Management's estimates of the weighted average effective annual income tax rate expected for the full financial year as well as any items recognized discreetly in the respective interim reporting period. Income tax expense increased mainly due to higher income before income taxes in the nine month period ended June 30, 2025. In addition, the expected effective annual income tax rate in the nine months ended June 30, 2025 was higher compared to the nine month period ended June 30, 2024. Further, in the nine month period ended June 30, 2024, withholding taxes were recognized which partially smoothed the income tax expense increase seen in the nine month period ended June 30, 2025.

Combined Statement of Changes in Equity

In the nine month period ended June 30, 2025 transactions with tk Group include the cash capital contribution in the total amount of €63,480 thousand to the Company and TKMS Beteiligungsgesellschaft mbH as part of the implementation of the spin-off structure (cf. Note 3). The remaining effects reflect transactions with tk Group largely referring to current tax receivables and current tax liabilities of companies of the TKMS Business that did not constitute separate income tax payers in the reporting period. In the Condensed Combined Interim Financial Statements such tax receivables and payables are reversed against equity because any tax asset or liability is deemed to be settled immediately and, as such, is accounted for as a contribution or withdrawal. In the nine months period ended June 30, 2024 transactions with tk Group largely refer to such income tax related contributions or withdrawals.

Combined Statement of Cash flows

Transactions with tk Group presented in the Combined Statement of Cash Flows largely correspond with the transactions reflected in the corresponding line item presented in the Combined Statement of Changes in Equity discussed above.

5 Financial instruments

In particular, financial assets include trade accounts receivable, cash, cash equivalents and time deposits, derivative financial assets, as well as debt instruments. Trade accounts receivable are initially measured at the transaction price. Other financial assets are initially recognized at fair value. This includes any transaction costs directly attributable to the acquisition of financial assets, which are not carried at fair value through profit or loss in future periods. The fair values recognized on the balance sheet usually reflect the market prices of the financial assets.

The classification and measurement of financial assets is based on the financial asset's cash flow characteristics and on the TKMS Business's business model for managing the financial assets.

If a debt instrument is held with the objective of collecting contractual cash flows and if the cash flows are solely payments of principal and interest, the instrument is recognized at amortized cost. At the TKMS Business this mainly concerns trade accounts receivable, and cash, cash equivalents and time deposits.

Derivatives that do not qualify for hedge accounting are recognized at fair value in profit or loss.

Financial liabilities are liabilities that must be settled in cash or other financial assets. Financial liabilities are initially carried at fair value. This includes any transaction costs directly attributable to the acquisition of financial liabilities, which are not carried at fair value through profit or loss in future periods.

Trade accounts payable and other non-derivative financial liabilities are in general measured at amortized cost using the effective interest method. Finance charges, including premiums payable on redemption or settlement, are periodically accrued using the effective interest method and increase the liabilities' carrying amounts.

The following table shows the carrying amounts, measurement categories under IFRS 9 and fair values of financial assets and liabilities by classes. Lease liabilities, contract assets and derivatives that qualify for hedge accounting are also included although they are not considered a IFRS 9 measurement category.

	Measurement category in accordance with IFRS 9		Measurement in accordance with IFRS 16/IFRS 15		
	Carried at amortized cost	Carried at fair value			
thousand €	Carrying amount	Fair value recognized in profit or loss	Hedge Accounting: Fair value in OCI (with recycling)	Carrying amount	Carrying amount in the statement of financial position as of Jun 30, 2025
Trade accounts receivable	232,211				232,211
Contract assets				453,021	453,021
Other financial assets	1,146,177	3,437	-	-	1,149,614

Cash and cash equivalents include restricted cash equivalents as of June 30, 2025, in the amount of €851,520 thousand (September 30, 2024: €0 thousand) which result from advance payments by the customer for the addition of four submarines in an extension of the order under the ongoing German-Norwegian 212CD program (cf. Note 3 and Note 4).

The carrying amounts of trade accounts receivable measured at amortized cost, other current and non-current receivables as well as cash, cash equivalents equal their fair values due to the short remaining terms. The fair value of foreign currency forward transactions, including the embedded derivatives, is determined on the basis of the middle spot exchange rate applicable as of the balance sheet date, adjusted for any forward premiums or discounts arising for the remaining contract term compared to the contracted forward exchange rate. The carrying amounts of trade accounts payable and other current and non-current liabilities are equal to their fair values as they are considered short-term in nature.

Financial assets and liabilities measured at fair value can be categorized in the following three-level fair value hierarchy:

FAIR VALUE HIERARCHY AS OF JUN. 30, 2025				
thousand €	Jun. 30, 2025	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	2,396		2,396	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	-		-	
Embedded derivatives	1,041		1,041	
Total	3,437	-	3,437	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	2,126		2,126	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	1,039		1,039	
Embedded derivatives	42,214		42,214	
Total	45,379	-	45,379	-
FAIR VALUE HIERARCHY AS OF SEPT. 30, 2024				
thousand €	Sept. 30, 2024	Level 1	Level 2	Level 3
Financial assets at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	1,017		1,017	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	7		7	
Embedded derivatives	834		834	
Total	1,858	-	1,858	-
Financial liabilities at fair value				
Fair value recognized in profit or loss				
Derivatives not qualifying for hedge accounting	2,211		2,211	
Fair value recognized in OCI				
Derivatives qualifying for hedge accounting	712		712	
Embedded derivatives	32,588		32,588	
Total	35,511	-	35,511	-

The fair value hierarchy reflects the significance of the inputs used to determine fair values. Financial instruments with a fair value measurement based on quoted prices in active markets are disclosed in level 1. In level 2, determination of fair values is based on observable inputs, e.g., foreign exchange rates. Level 3 is comprised of financial instruments for which a fair value measurement is based on unobservable inputs using recognized valuation models. In the reporting year there were no reclassifications between level 1 and level 2.

6 Contingencies and commitments

In January 2025, NVL B.V. & Co. KG (“NVL”) filed a request for arbitration against TKMS GmbH in connection with the K 130 corvette program. NVL is hereby asserting claims for alleged delays to the project. In addition to a pecuniary claim of around €5 million, these claims mainly relate to declaratory judgments regarding compensation amounting to €90 million. The total claims may increase as the proceedings progress. TKMS GmbH believes these claims not to be substantiated and is preparing a respective statement of defense in this regard.

In relation to arbitration proceedings concerning claims raised by Hyundai Heavy Industries Co. Ltd. (HHI) against TKMS GmbH regarding a submarine motor, the TKMS Business obtained a ruling from the International Chamber of Commerce (ICC) in favour of HHI in July 2025. The ruling stipulates that TKMS GmbH is required to make payments to HHI, covering both damages and accrued interest, amounting to €9 million. This ruling has had a corresponding impact on the profit and loss statement for the nine month period ended June 30, 2025.

There have been no material changes to the other commitments and contingencies since the end of fiscal year 2023 / 2024

7 Related Parties

These Condensed Combined Interim Financial Statements include transactions between the TKMS Business and tk Group (tk AG and its direct and indirect subsidiaries, excluding the Group). tk Group is a related party, as tk AG controls the TKMS Business.

Terms and conditions for related party transactions are unchanged in comparison to September 30, 2024 except for the new service level agreements. For further information on the terms and conditions refer to the Combined Financial Statements for the Marine Systems Business as of September 30, 2024.

Transactions with tk Group

Supply and delivery agreements exist between the TKMS Business and tk Group. The TKMS Business is supplied by the tk Group and delivers to tk Group goods and services on a case-by-case basis. Furthermore, in conjunction with the IPO, the TKMS Business entered into new service level agreements and transitional service level agreements with tk Group regarding general and administrative services such as tax, legal, controlling, accounting, IT or insurance, operational functions such as construction management, engineering, project management, quality management and R&D.

Transactions with tk Group were as follows.

Service, supply and delivery agreements

thousand €	Sales of goods and services and other income		Purchases of goods & services and other expenses	
	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025
Other entities of tk Group	1,200	3,812	2,420	387
Joint Ventures of TKMS Group	156	155	-	-
Associates of TKMS Group	11	57	-	-
Total	1,366	4,024	2,420	387

Interest income and expense from cashpool

thousand €	Nine months ended Jun. 30, 2024	Nine months ended Jun. 30, 2025
Interest income from cashpool with tk Group	44,994	33,012
Interest expense from cashpool with tk Group	2,518	2,067

The applicable interest rates for the most significant currencies were as follows:

	Borrowings		Deposits	
	Jun. 30, 2024	Jun. 30, 2025	Jun. 30, 2024	Jun. 30, 2025
EUR	4.6%	3.5%	4.5%	3.4%
GBP	6.1%	5.5%	6.0%	5.4%
USD	6.1%	5.6%	6.0%	5.5%

Derivative financial instruments

thousand €	Jun. 30, 2024	Jun. 30, 2025
Net gains (losses) from hedging activities performed by tk AG for the Group	(1,870)	1,640

The following table shows the notional amounts and fair values of derivative financial instruments entered into by the TKMS Business with tk AG:

DERIVATIVE FINANCIAL INSTRUMENTS (Hedging of foreign currency risk)				
thousand €	Notional amount as of Sep. 30, 2024	Carrying amount as of Sep. 30, 2024	Notional amount as of Jun. 30, 2025	Carrying amount as of Jun. 30, 2025
Assets				
Foreign currency derivatives that do not qualify for hedge accounting				
Foreign currency contracts US Dollar	8,104	269	1,530	66
Foreign currency contracts GBP	11,181	198	1,986	25
Foreign currency contracts SGD	2,431	40	-	-
Foreign currency contracts INR	3,999	69	32,993	1,312
Foreign currency contracts KRW	5,161	66	18,894	696
Foreign currency contracts Other	19,521	376	8,570	296
Foreign currency derivatives qualifying as cash flow hedges				
Foreign currency contracts USD	2,479	1	-	-
Foreign currency contracts Other	844	6	-	-
Total	53,720	1,025	63,972	2,396
Liabilities				
Foreign currency derivatives that do not qualify for hedge accounting				
Foreign currency contracts US Dollar	17,515	445	5,817	437
Foreign currency contracts GBP	12,108	188	35,061	319
Foreign currency contracts SGD	128	1	696	18
Foreign currency contracts Other	77,308	1,577	33,378	1,352
Foreign currency derivatives qualifying as cash flow hedges				
Foreign currency contracts USD	697	13	-	-
Foreign currency contracts NOK	-	-	5,453	652
Foreign currency contracts Other	9,547	699	4,094	387
Total	117,303	2,922	84,498	3,164

The volumes of hedging transactions entered into in the respective interim period are as follows.

thousand €	Jun. 30, 2024	Jun. 30, 2025
Sell Amount	185,495	152,354
Buy Amount	231,941	132,489

Balances due to/from tk Group

thousand €	Assets		Liabilities	
	Sept. 30, 2024	Jun. 30, 2025	Sept. 30, 2024	Jun. 30, 2025
tk Group cash pool	1,165,590	1,126,416	57,376	91,945
Foreign currency derivatives with tk Group	1,025	2,396	2,922	3,164
tk Group other transactions	163,126	-	21,137	-

The outstanding balances as of each reporting date are unsecured and interest free except for the interest-bearing cash pool receivable due from tk Group. Settlement of these transactions occurs in cash. Except for the guarantees issued by tk Group to the Group's customers, there were no other guarantees provided or received for any related party receivables or payables. The position tk Group other transactions comprises receivables and liabilities in connection with the profit and loss agreement between TKMS Business entities and tk Group entities and service or supply contracts.

License fee

thousand €	Jun. 30, 2024	Jun. 30, 2025
tk Group trademark fee	4,325	4,130

In the context of the separation from tk Group, TKMS Group entered into a new licensing agreement with tk AG, resulting in the termination of the historical brand invoicing model (cf Note 3). The new licensing agreement grants the TKMS Group the indefinite right to use licensed trademarks "TKMS".

8 Segment reporting

Segment information for the nine months ended Jun. 30, 2025						
thousands €	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
External sales	853,318	368,349	360,361	6,890	(1,690)	1,587,228
Internal sales within the group	597	-	116,338	65	(117,000)	-
Sales	853,915	368,349	476,699	6,955	(118,690)	1,587,228
Gross Margin	90,680	59,374	114,660	2,936	6,678	274,328
<i>Therein:</i>						
Depreciation and amortization	32,168	1,852	16,807	95	-	50,922

Segment information for the nine months ended Jun. 30, 2024						
thousands €	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
External sales	624,557	497,216	284,319	6,160	1,569	1,413,822
Internal sales within the group	-	-	119,695	126	(119,821)	-
Sales	624,557	497,216	404,015	6,286	(118,253)	1,413,822
Gross Margin	52,176	87,214	98,159	2,072	(1,722)	237,899
<i>Therein:</i>						
Depreciation and amortization	29,922	2,065	15,498	198	-	47,683

9 Sales

Sales, including sales from contracts with customers, are presented below:

thousand €	Timing of revenue recognition	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
Nine months ended Jun. 30, 2025							
Sales category							
Sales from construction contracts	Over-time	806,884	364,262	282,244	-	(1,690)	1,451,699
Sales from rendering of services	Over-time / point in time	46,435	4,087	19,573	6,890	-	76,984
Sales of finished goods and merchandise	Point in time	-	-	58,545	-	-	58,545
Total		853,318	368,349	360,361	6,890	(1,690)	1,587,228

thousand €	Timing of revenue recognition	Submarines	Surface Vessels	Atlas Electronics	All other Segments	Corporate and Consolidation	Group
Nine months ended Jun. 30, 2024							
Sales category							
Sales from construction contracts	Over-time	592,974	491,392	237,600	-	1,569	1,323,534
Sales from rendering of services	Over-time / point in time	31,584	5,825	6,089	6,160	-	49,657
Sales of finished goods and merchandise	Point in time	-	-	40,630	-	-	40,630
Total		624,557	497,216	284,319	6,160	1,569	1,413,822

Remaining performance obligations

Amounts of a customer contract's transaction price that are allocated to the remaining performance obligations represent contracted revenue that has not yet been recognized (also referred to as "order backlog") and amounted to €18,559 million as of June 30, 2025 (June 30, 2024: €11,622 million). This amount largely comprises of remaining obligations under construction contracts, as the respective contracts typically have durations of multiple years.

10 Adjusted Earnings before Interest and Taxes (Adjusted EBIT)

At the group level, the TKMS Business's key performance indicators (KPIs) are Sales and Adjusted EBIT (Earnings Before Interest and Taxes). These KPIs are consistent with those historically reported for the Marine Systems (MS) Business within the consolidated financial statements of the tk Group.

TKMS Management Board provides information on adjusted earnings before interest and taxes (adjusted EBIT) because it uses this performance indicator at group level for management purposes and considers it essential for understanding the earnings situation.

Adjusted EBIT is not a performance measure defined in the IFRS accounting standards. The Group's definition of adjusted EBIT may not be comparable to similarly titled performance measures and disclosures used by other companies.

Adjusted EBIT is derived from income from operations as presented in the Condensed Combined Interim Financial Statements, with adjustments for:

- (i) expenses related to the tk Group trademark fee,
- (ii) income and expenses from at-equity valuations,
- (iii) special items such as restructuring expenses, impairment losses or reversals, gains or losses from disposals, income from further investments and selected transaction related costs, including but not limited to merger & acquisition-related costs and
- (iv) transaction costs incurred in connection with capital market transactions.

The reconciliation of Income/(loss) from operations to Adjusted EBIT is presented below:

RECONCILIATION ADJUSTED EBIT TO INCOME/(LOSS) BEFORE TAX		
thousand €	Jun. 30, 2024	Jun. 30, 2025
Profit/(loss) from operations	55,626	85,366
tk Group trademark fee	4,325	4,130
(Income) / expense from at-equity valuation	2,001	1,831
Other special items	1,320	54
Transaction costs	-	6,129
Adjusted EBIT	63,272	97,511

The other special items primarily comprise losses from disposals in the nine months ended June 30, 2025 in the amount of €1,220 thousand (nine months ended June 30, 2024: €0 thousand), impairment reversals in the nine months ended June 30, 2025 in the amount of €1,695 thousand (nine months ended June 30, 2024: €1,663 thousand) and selected merger & acquisition-related consulting costs in the nine months ended June 30, 2025 in the amount of €0 thousand (nine months ended June 30, 2024: €3,180 thousand).

11 Subsequent events

Legal Reorganization of TKMS Business

In relation to the establishment of the spin-off structure the following certain reorganization steps have been executed between June 30, 2025 and the date of authorization of these Condensed Combined Interim Financial Statements in addition to the steps described in Note 3:

- On July 1, 2025, tkTB sold and transferred its entire 89.9% shareholding in TKMS GmbH to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH of these 89.9%.

- On July 1, 2025, tkTB sold and transferred its entire shareholding in transrapid to the Company and TKMS Beteiligungsgesellschaft mbH, i.e. 51.0% to the Company and 49.0% to TKMS Beteiligungsgesellschaft mbH.
- On July 1, 2025, tkTB sold and transferred its 14.9% shareholding in TKMS ATLAS ELEKTRONIK GmbH to TKMS GmbH with effect from July 1, 2025.
- Share purchase and transfer agreements were signed on July 1, 2025, for the minority shareholdings of tk AG in TKMS GmbH and TKMS ATLAS ELEKTRONIK GmbH as well as thyssenkrupp Holding Germany GmbH in TKMS Wismar GmbH, each amounting to 10.1%. The relevant share purchase and transfer agreements stipulate that the legal effectiveness of the agreements for the transfer of the aforementioned minority shareholdings is in each case subject to the condition precedent that the spin-off takes effect.
- Effective July 17, 2025, the Company, which was previously organized as a limited liability company (Gesellschaft mit beschränkter Haftung – GmbH) and operated under the company name “thyssenkrupp Projekt 2 GmbH”, has been converted into a partnership limited by shares (Kommanditgesellschaft auf Aktien – KGaA) by way of a change of legal form after tkTB has acquired from tk AG all interest in the Company in February 2025. Hence, tkTB holds all shares of the Company until the effectiveness of the spin-Off.
- The estimated purchase prices for the share transfers executed in preparation for the spin-off are based on external valuations and amount to approximately €2,030 million in total. The purchase price for the shares in TKMS GmbH has initially been determined on a preliminary basis on July 1, 2025, because any transfer of losses or profits under the profit and loss sharing agreement effective until September 30, 2025 is intended to be taken into account in the purchase price.
- The purchase price will be partially financed through contributions of approximately €634 million from tkTB to the Company, and €609 million from tk AG to TKMS Beteiligungsgesellschaft mbH, with no shares being issued in either case. The remaining portion of the purchase price will effectively be funded through TKMS Business’s positive cash pool balance and will have a negative impact on TKMS Business’s invested equity.
- On August 8, 2025, tk AG's shareholders approved the spin-off of its marine business, TKMS, during an Extraordinary General Meeting with an approval rate of 99,96%.

Bilateral Guarantee Facilities

Multiple bilateral Guarantee Facility Agreements with an international group of banks and insurance companies to issue guarantees to the Group’s customers, in relation to the Group’s projects in excess of a volume of €2.5 billion were signed in June and July 2025. These Agreements are at market rate and uncommitted and can be utilized to issue guarantees to the Group’s customers. by the banks. Consequently, any costs will only be incurred when the Guarantee Facility Agreements are utilized after the spin-off in relation to customer projects.

Conclusion of new service level agreements

tk Group entities will provide various services to TKMS Group based on service level agreements (SLA). The services that tk Group will provide to TKMS Group during the term of the SLAs, beginning from October 1, 2025, relate to general and administrative services such as intellectual property, information technology, insurance covering, accounting, human resources, taxes, real estate, legal & compliance, purchasing & supply chain management, tax, M&A services or pension management. TKMS Group and tk Group have agreed that the external services agreements should be at standard market conditions and therefore comply with the arm’s length principle. As such, costs historically charged to the TKMS Business may differ from the costs which will be charged to the Group in the future based on the re-negotiated terms. Therefore, the cost structure as reflected in these Condensed Combined Interim Financial Statements may not be representative for the future in this regard. In addition, the Group is also establishing new functions in conjunction with the separation and the spin-off which will further increase the cost base.

German tax law changes

In Germany, a tax law change has been substantively enacted after the reporting date to reduce the corporate income tax rate from 15% to 10% within a 5 year period starting in the tax assessment period 2028. The corporate income tax rate will be reduced by 1 percentage point in each of the five tax assessment periods resulting in a corporate income tax rate of 10% applicable to tax assessment periods beginning in 2032. The reduction of the corporate income tax rate requires a remeasurement of the deferred tax positions. TKMS Business is currently assessing its exposure to this tax rate change. At reporting date, the tax rate change effect is not reasonably estimable as the assessment has not been finalized.

Termination of cash pooling participation

TKMS GmbH and the TKMS Business entities are currently included in the group-wide cash pooling system of the tk Group, to the extent legally permissible. As part of the spin-off, it is planned to terminate the participation of TKMS Business entities in this cash pooling system by no later than 30 September 2025. Consequently, TKMS GmbH and the other entities within the future TKMS Group will no longer participate in the tk Group's cash pooling system starting from the 2025/2026 financial year, beginning on 1 October 2025. Upon termination of their inclusion in the cash pooling system, the financing relationship with the tk Group will be discontinued. Following their departure from the tk Group's cash pooling system, the liquidity needs of the TKMS Group entities will be managed through the TKMS Group's own liquidity management system. A separate cash pooling system is planned to be established within the TKMS Group, which will commence immediately after leaving the tk Group's cash pooling system.

Essen and Kiel, September 24, 2025

Management Board of TKMS AG & Co. KGaA and Management Board of TKMS GmbH
TKMS AG & Co. KGaA represented by the Managing Board of TKMS Management AG

Oliver Burkhard

Paul Glaser

Angelika Kambeck

Dr. Dirk Steinbrink

CONVENIENCE TRANSLATION

thyssenkrupp Projekt 2 GmbH, Essen

Commercial Register: Essen, HRB 32710

Balance sheet as at September 30, 2024

in Euro

ASSETS	September 30, 2023	September 30, 2024
Fixed Assets		
Financial Assets		
Affiliated companies		
Operating Assets		
Receivables and other assets		
Cash on hand and cash at banks	25,000.00	25,000.00
	25,000.00	25,000.00
Total Assets	25,000.00	25,000.00

EQUITY AND LIABILITIES	September 30, 2023	September 30, 2024
Total Equity		
Subscribed capital	25,000.00	25,000.00
Capital reserves		
Unappropriated loss for the year	-3,799.21	-4,456.52
	21,200.79	20,543.48
Liabilities		
Liabilities from goods and services	0.66	74.77
Liabilities to affiliated companies	3,798.55	4,381.75
	3,799.21	4,456.52
Total equity and liabilities	25,000	25,000

Essen, March 27, 2025

Dr. Annette Becher

Dieter Fehring

Kerstin Mücher

CONVENIENCE TRANSLATION

thyssenkrupp Projekt 2 GmbH, Essen

Income Statement for the period from October 1, 2023 to September 30, 2024

in Euro

	September 30, 2023	September 30, 2024
General administrative expenses	-1,343.33	-469.79
Other operating income		0,66
Other operating expenses		
Interest and similar costs	-131.19	-188.18
Earnings after taxes	-1,474.52	-657.31
Net loss	-1,474.52	-657.31

Essen, March 27, 2025

Dr. Annette Becher

Dieter Fehring

Kerstin Mücher

Independent Auditor's Report

To TKMS AG & Co. KGaA, Essen

Opinion

We have audited the annual financial statements of TKMS AG & Co. KGaA (until July 17, 2025: thyssenkrupp Projekt 2 GmbH), Essen, which comprise the balance sheet as of September 30, 2024, and the income statement for the financial year from October 1, 2023, to September 30, 2024.

In our opinion, on the basis of the knowledge obtained in the audit, the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as of September 30, 2024, and of its financial performance for the financial year from October 1, 2023, to September 30, 2024, in compliance with German legally required accounting principles, and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB [Handelsgesetzbuch: German Commercial Code].

Pursuant to Section 322 (3) sentence 1 HGB [Handelsgesetzbuch: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements.

Basis for the Opinion

We conducted our audit of the annual financial statements in accordance with Section 317 HGB and 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 Annual Financial Statements" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial statements.

Responsibilities of Management for the Annual Financial Statements

Management is responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB. In addition, management is responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of annual 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 annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, as well as to issue an auditor's report that includes our opinion on the annual financial statements.

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

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

- Identify and assess the risks of material misstatement of the annual financial statements, 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 opinion. 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 annual financial statements 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 these systems.
- 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 Company'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 annual financial statements or, if such disclosures are inadequate, to modify our respective opinion. 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 Company to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German legally required accounting principles and the reporting relief for micro-entities pursuant to Section 264 (1) sentence 5 HGB.

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.

Cologne, August 15, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Kadlubowski
Wirtschaftsprüfer
[German Public Auditor]

Cremer
Wirtschaftsprüfer
[German Public Auditor]

20 Glossary

“€”, “EUR” or “Euro”	means the legal currency of the participating member states in the third stage of the European Economic Union pursuant to the Treaty establishing the European Community.
“\$”, “USD” or “US dollar”	means the legal currency of the United States.
“AAW”	means anti-air warfare.
“Admission to Trading”	means the admission of 31,126,587 newly issued ordinary bearer shares with no-par value (<i>Inhaberaktien</i>) from a capital increase against contribution in kind expected to be registered on or about October 16, 2025 and of 32,397,060 existing ordinary bearer shares with no-par value (<i>auf den Inhaber lautende Stammaktien ohne Nennbetrag</i>) to trading on the regulated market segment (<i>regulierter Markt</i>) of the Frankfurt Stock Exchange.
“AI”	means artificial intelligence.
“AIP”	means air-independent propulsion.
“AktG”	means the German Stock Corporation Act (<i>Aktiengesetz</i>).
“All Other Segments”	means all business activities not included within the three operating segments (Submarines, Surface Vessels, and Atlas Electronics), including but not limited to NXTGEN Engineering and TCCT, which are reported as a single segment for financial reporting purposes.
“AMD”	means anti-missile defense.
“APMs”	means alternative performance measures.
“ARCIMS”	means the modular uncrewed surface vessel (USV) system built by Atlas UK, designed to accommodate a variety of reconfigurable mission modules and payloads for multiple maritime missions
“Articles of Association”	means the Company’s Articles of Association dated July 26, 2021.
“ASW”	means anti-submarine warfare.
“ASuW”	means anti-surface warfare.
“Atlas Electronics”	means one of three operating segments of the company, with core locations in Germany and the United Kingdom, specialising in integrated naval

	systems and technologies. It supplies sensor, command & control, and weapon control solutions to submarines and surface vessels, and provides related products and lifecycle services to navies worldwide.
“Atlas Security Agreement”	means a security agreement entered into in March 2017 between thyssenkrupp AG, thyssenkrupp tkTB and Germany. The Atlas Security Agreement regulates certain information, consultation, and approval rights of the Federal Republic of Germany as well as further obligations of thyssenkrupp AG with regard to significant sensitive activities. implement strategic decisions or respond to market opportunities.
“Atlas UK”	means TKMS ATLAS UK (Holding) Ltd., one of the company’s significant subsidiaries.
“ATT”	means Anti-Torpedo Torpedo.
“Audited Combined Financial Statements”	means the audited combined financial statements of the Group as of and for the 12 months ended September 30, 2024, 2023 and 2022.
“Audited Unconsolidated Financial Statements”	means the audited unconsolidated financial statements of the Company prepared in accordance with the HGB as of and for the financial year ended September 30, 2024.
“AWG”	means the German Foreign Trade and Payments Act (<i>Außenwirtschaftsgesetz</i>).
“AWV”	the Foreign Trade and Payments Ordinance (<i>Außenwirtschaftsverordnung</i>).
“BAAINBw”	means the German Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support (<i>Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr</i>).
“BAFA”	means the German Federal Office of Economics and Export Control (<i>Bundesamt für Wirtschaft und Ausfuhrkontrolle</i>)
“BaFin”	means the German Federal Financial Supervisory Authority (<i>Bundesanstalt für Finanzdienstleistungsaufsicht</i>).
“Bank Guarantees”	means suretyships, bank guarantees, bonds, or letters of credit.
“Banks”	means the Listing Agents and the financial advisors.

“BBVA”	means Banco Bilbao Vizcaya Argentaria, S.A., Ciudad BBVA, Calle Azul 4, 28050 Madrid, Spain, LEI K8MS7FD7N5Z2WQ51AZ71.
“BMWE”	means the German Federal Ministry for Economic Affairs and Energy (<i>Bundesministerium für Wirtschaft und Energie</i>).
“BVerfG”	means the German Federal Constitutional Court (<i>Bundesverfassungsgericht</i>).
“BZSt”	means the German Federal Central Tax Office (<i>Bundeszentralamt für Steuern</i>).
“CAGR”	means the compound annual growth rate.
“CEO”	means Chief Executive Officer.
“CET”	means Central European Time or Central European Summer Time, as the case may be.
“CFO”	means Chief Financial Officer.
“China”	means the People’s Republic of China.
“CHRO”	means Chief Human Resources Officer.
“Citigroup”	means Citigroup Global Markets Europe AG, Börsenplatz 9, 60313 Frankfurt am Main, Germany, LEI 6TJCK1B7E7UTXP528Y04.
“Clearstream”	means Clearstream Europe AG.
“Code”	means the German Corporate Governance Code.
“COMMERZBANK”	means COMMERZBANK Aktiengesellschaft, Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt am Main, Germany, LEI 851WYGNLUQLFZBSYGB56
“Company”	means TKMS AG & Co. KGaA.
“Combined Financial Statements”	means the Unaudited Condensed Combined Interim Financial Statements together with the Audited Combined Financial Statements.
“Crédit Agricole CIB”	means Crédit Agricole Corporate and Investment Bank, 12 Place Des Etats Unis, CS 70052, Montrouge Cedex, 92547, France, LEI 1VUV7VQFKUOQSJ21A208.
“CSDDD”	means the Corporate Sustainability Due Diligence Directive.
“CTO”	means Chief Technology Officer.

“Deutsche Bank”	means Deutsche Bank Aktiengesellschaft, Taunusanlage 12, 60325 Frankfurt am Main, Germany, LEI 7LTFWZYICNSX8D621K86.
“Diehl”	means Diehl Defence Group.
“Dividend Paying Agent”	means a domestic credit, financial services or securities institution, the domestic securities custodian bank, or the Company itself (in specific cases), each of which is responsible for disbursing dividends to the shareholder and withholding and remitting any applicable withholding tax from dividend distributions.
“Domestic Paying Agent”	means a domestic credit, financial services or securities institution (including domestic branches of foreign institutions) that holds or administers the shares, or executes disposals and pays or credits capital gains to the shareholder, and is responsible for withholding and remitting the applicable tax on capital gains
“DPLTA(s)”	means the existing domination and/or profit and loss transfer agreements (<i>Beherrschungs- und/oder Gewinnabführungsverträge</i>).
“Dual-Use Regulation”	means the Delegated Regulation (EU) No. 2024/2547 of September 5, 2024.
“EDC”	means expected effective date of contract.
“EEA”	means European Economic Area.
“ESG”	means environmental, social and governance.
“EStG”	means the German Income Tax Act (<i>Einkommensteuergesetz</i>).
“EU”	means the European Union.
“EU Short Selling Regulation”	means Regulation (EU) No. 236/2012 of the European Parliament and of the Council of March 14, 2012 on short selling and certain aspects of credit default swaps.
“Executive”	means a person discharging managerial responsibilities within the meaning of Article 3 para. 1 No. 25 of the MAR.
“Existing Shareholder”	means thyssenkrupp Technologies Beteiligungen GmbH, which is a wholly-owned subsidiary of thyssenkrupp AG.

“Existing Shares”	means 32,397,060 existing ordinary bearer shares with no-par value (<i>Inhaberaktien</i>) of the company.
“Fincantieri”	means Fincantieri S.p.A.
“Framework Agreement”	means the agreement entered into on 23 June 2025 between the Company and thyssenkrupp AG, in which the future relationship, particularly the cooperation, alignment, and collaboration on certain matters, has been agreed between the parties.
“Frankfurt Stock Exchange”	means the Frankfurt Stock Exchange (<i>Frankfurter Wertpapierbörse</i>).
“FTT”	means financial transaction tax.
“GDP”	means the gross domestic product.
“GDPR”	means the EU’s General Data Protection Regulation.
“General Partner”	means TKMS Management AG.
“General Partner’s Articles of Association”	means the General Partner’s Articles of Association.
“General Partner’s Supervisory Board”	means the General Partner’s Supervisory Board.
“Germany”	means the Federal Republic of Germany.
“Global Share Certificates”	means one or multiple global share certificates representing the Company’s shares, which are or will be deposited with Clearstream Europe AG, Frankfurt am Main, Germany.
“Group”, “we”, “us” or “our”	means the Company and, for the period up until September 30, 2025, its combined subsidiaries and TKMS Transrapid GmbH and, for the period thereafter, its consolidated subsidiaries.
“GWB”	means the German Act against Restrictions of Competition (<i>Gesetz gegen Wettbewerbsbeschränkungen</i>).
“Hagenuk”	means TKMS Hagenuk Marinekommunikation GmbH, a German subsidiary of Atlas Electronics.
“HDW”	means Howaldtswerke-Deutsche Werft.
“HGB”	means the German Commercial Code (<i>Handelsgesetzbuch</i>).
“ICS”	means the Group’s internal control system.
“IDAS”	means Interactive Defense and Attack System for Submarines.
“IFRS”	means International Financial Reporting Standards and the interpretations of the IFRS Interpretations

	Committee, as adopted by the European Union and Commission Regulation (EC) No. 1126/2008 of November 3, 2008, as amended.
“IRS”	means the Group’s internal audit system.
“ISIN”	means International Securities Identification Number.
“ISS”	means in-service support.
“Issuing Terms”	means the issuing terms and conditions for the bonds.
“ISUS 100”	means the Group’s Integrated Sensor Underwater System.
“IT”	means information technology.
“KGaA”	means a partnership limited by shares (<i>Kommanditgesellschaft auf Aktien</i>).
“Kongsberg”	means Kongsberg Gruppen ASA, Norway.
“KPMG”	means KPMG AG Wirtschaftsprüfungs-gesellschaft, Cologne, Germany.
“KStG”	means the German Corporate Income Tax Act (<i>Körperschaftsteuergesetz</i>).
“KTA Naval Systems”	means the Group’s joint venture KTA Naval Systems AS, Kongsberg, Norway.
“KWG”	means the German Banking Act (<i>Kreditwesengesetz</i>).
“LEI”	means Legal Entity Identifier.
“Licensing Agreement”	means the licensing agreement entered into by the Company and thyssenkrupp AG regarding the use of the trademark “thyssenkrupp” and certain other trademarks.
“Listing Agents”	means Deutsche Bank, Citigroup and COMMERZBANK.
“Listing Agreement”	means the agreement entered into on October 13, 2025 by the Company, thyssenkrupp AG and the Banks, pursuant to which Citigroup, COMMERZBANK and Deutsche Bank act as Listing Agents in connection with the Admission to Trading, and Macquarie Capital, BBVA, Crédit Agricole CIB and Société Générale act as financial advisors.
“Macquarie Capital”	means Macquarie Capital France SA, Niederlassung Deutschland, Bockenheimer Landstraße 2-4, 60306

Frankfurt am Main, Germany, LEI 54930024VJSBHTID7T41.

“Management Board”	means the management board (<i>Vorstand</i>) of the General Partner.
“Management Board’s Rules of Procedure”	means rules of procedure, which set out further details regarding the allocation of responsibilities, the procedure and the majorities for passing resolutions within the Management Board as well as matters which require the prior consent of the Supervisory Board.
“Manufacturer”	means manufacturer for the purposes of the MiFID II Product Governance Requirements.
“MAR”	means Regulation (EU) No. 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse.
“Mazagon”	means Mazagon Dock Shipbuilders Limited, India.
“Merger”	means the intended merger of TKMS Beteiligungsgesellschaft mbH onto the Company following the effectiveness of the Spin-off.
“MiFID II”	means EU Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments, as amended.
“MiFID II Product Governance Requirements”	means (a) MiFID II; (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, collectively.
“Minimum Holding Period”	means a continuous period of at least 45 days during the period starting 45 days prior to the date when the dividend becomes due and ending 45 days after such date during which a shareholder has been the economic owner of shares.
“Minimum Risk Test”	means the following three prerequisites together: (a) the shareholder has been the economic owner of the shares for a continuous period of at least the Minimum Holding Period; (b) the shareholder has been exposed (if taking into account counterclaims and claims against related parties) to at least 70% of the risk resulting from a decrease in value of the shares during the Minimum Holding Period (the minimum change in value risk; <i>Mindestwertänderungsrisiko</i>); and (c) the shareholder is not obligated to forward these

	dividends, directly or indirectly, in total or predominant to another person.
“MRO”	means occasion-driven maintenance, repair and overhaul.
“MW”	means mine warfare.
“NATO”	means North Atlantic Treaty Organization.
“New FTT”	means the final proposal announced by the German Federal Finance Minister on December 9, 2019 for a Directive for a financial transaction tax implemented by way of the enhanced cooperation mechanism to nine other participating EU member states, which was revised again in April 2020.
“New Shares”	means 31,126,587 newly issued ordinary bearer shares with no-par value (<i>Inhaberaktien</i>) from a capital increase against contribution in kind, expected to be registered on or about October 16, 2025.
“NVL”	means the German Naval Vessels Lürssen Group.
“NXTGEN Engineering”	means the business through which the Group develops and markets certain products to commercial customers.
“Order Backlog”	means the portion of the associated contract price reflected in Order Intake for which the amount of revenue has not yet been recognized over time in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) 15.
“Order Intake”	means binding customer contracts and binding purchase orders concluded in the respective reporting period at the respective contract price, including expected fixed price escalations agreed over the respective contract term but excluding variable price escalations which are only considered in the reporting period in which variable price escalations amounts are billed to our customers.
“Parent Subsidiary Directive”	means the Council Directive 2011/96/EU of November 30, 2011, as amended.
“PCG”	means parent company guarantees.
“Portfolio Participation”	means a participation of less than 10% in the share capital of a domestic or foreign corporation held by the Company at the beginning of the calendar year (<i>Streubesitzbeteiligung</i>).

“Prospectus”	means this prospectus, dated October 13, 2025.
“Prospectus Regulation”	means Regulation (EU) No 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended.
“Qualified Holding”	means the direct or indirect holding of at least 1% of the share capital of the Company.
“R&D”	means research and development.
“RMS”	means risk management system.
“Rules of Procedure of the Company’s Supervisory Board”	means rules of procedure, which set out further details regarding the allocation of responsibilities, the procedure and the majorities for passing resolutions within the Company’s Supervisory Board.
“Russia-Ukraine Conflict”	means the Russian war of aggression against Ukraine.
“Sanctions Laws”	means applicable anti-bribery, anti-corruption and anti-money laundering laws and regulations, such as the German Money Laundering Act (<i>Geldwäschegesetz</i>), the United Kingdom Bribery Act 2010, and economic and trade sanction programs, including, without limitation, those administered by the United Nations, the EU, and the US (including without limitation by the Office of Foreign Asset Control).
“SE”	means European stock corporation (<i>Societas Europaea</i>).
“SeaHake™”	means the Group’s fiber-optic wire-guided heavyweight torpedo.
“Security Agreements”	means the TKMS Security Agreement together with the Atlas Security Agreement.
“Shares”	means the shares of the Company.
“SLIS™”	means the Group’s digital twin-based Ship’s Logistics Information System.
“Société Générale”	means Société Générale, 29 boulevard Haussmann, 75009 Paris, France, LEI O2RNE8IBXP4R0TD8PU41.
“SOF”	means the Group’s special operations forces support.

“Spin-off”	means the intended Spin-off of thyssenkrupp Group’s Segment Marine Systems.
“Spin-off and Transfer Agreement”	means the agreement under which thyssenkrupp AG transfers all shares in TKMS Beteiligungsgesellschaft mbH to the Company.
“Spin-off Capital Increase”	means the capital increase against contribution in kind under the German Stock Corporation Act (<i>Aktiengesetz</i>) in connection with a spin-off by absorption (<i>Abspaltung zur Aufnahme</i>) under the German Transformation Act (<i>Umwandlungsgesetz</i>).
“Spin-off Effective Date”	means the date of the effectiveness of the Spin-off upon the registrations of the Spin-off and the Spin-off Capital Increase with the relevant commercial registers on or about October 17, 2025.
“Submarines”	means the design, development and manufacture of conventional submarines as one of the company’s three operating segments.
“Surface Vessels”	means the design, development and construction of multi-mission surface combatants as one of the company’s three operating segments.
“Target Market Assessment”	means New Shares have been subject to a product approval process, which has determined that the New Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II.
“TCCT”	means the company’s standalone entity TKMS Transrapid GmbH.
“TEU”	means twenty-foot equivalent unit.
“TKMS”	means the Company.
“TKMS Security Agreement”	means a security agreement expected to be concluded in October 2025 between thyssenkrupp AG, the Company and the Federal Republic of Germany regarding significant national security interests of the Federal Republic of Germany with regards to the Company.
“thyssenkrupp AG”	means thyssenkrupp AG.

“thyssenkrupp Group”	means the thyssenkrupp AG and its consolidated subsidiaries.
“tk Group”	means thyssenkrupp AG and its direct and indirect subsidiaries, excluding the Group.
“tk Group trademark fee”	means the annual license fee paid by the Group to tk Group for the non-exclusive right to use the thyssenkrupp corporate brand under a licensing agreement.
“tkTB”	means thyssenkrupp Technologies Beteiligungen GmbH.
“UmwG”	means the German Transformation Act (<i>Umwandlungsgesetz</i>).
“UN”	means the United Nations.
“Unaudited Condensed Combined Interim Financial Statements”	means the unaudited condensed combined interim financial statements of the Company as of and for the nine months ended June 30, 2025
“US”	means the United States of America.
“ViSTIS®”	means the company’s Virtual Ship Training and Information System.
“WpHG”	means the German Securities Trading Act (<i>Wertpapierhandelsgesetz</i>).
“WpÜG”	means the German Securities Acquisition and Takeover Act (<i>Wertpapiererwerbs- und Übernahmegesetz</i>).

21 Recent Developments and Outlook

21.1 Recent Developments

Effective as of September 25, 2025, the cash pool with thyssenkrupp Group was terminated and the Group received an effective cash payment of €102.8 million. This effective amount takes into account the initial cash payment received on September 25, 2025 – the actual termination date of the cash pool – with a total of €278.7 million, of which €175.9 million is restricted for payments to the thyssenkrupp Group in connection with the acquisition of a 10.1% shareholding in TKMS GmbH as of the Spin-off Effective Date.

Other than the changes described above between June 30, 2025 and the date of the Prospectus, there have been no significant changes in the Group's financial and trading position and the Group's financial performance.

21.2 Outlook

For the Fiscal Year 2024/2025, we estimate our Adjusted EBIT to be in the range of €100.0 million to €150.0 million based on estimated sales moderately increasing compared to the Fiscal Year 2023/2024. For more information see “8.3 Profit Estimate 2024/2025 of Adjusted EBIT” and “8.4 Explanatory Notes to the Profit Estimate 2024/2025 of Adjusted EBIT”.

In the medium term, we are targeting sales growth at a CAGR of approximately 10% with back-end growth acceleration from Fiscal Year 2024/2025. In addition, we are targeting a medium term Adjusted EBIT Margin of more than 7.0% through embedded margin uplift from new orders and the phase-out of lower margin portions of our legacy Order Backlog, an expected increasing share of generally higher margin software and electronics in naval vessels and an expected increase in our operational efficiency and utilization of our asset base.

In this context, due to the phased completion of low margin legacy contracts, which have high levels of completion, and an increasing share of revenue from generally higher margin new orders, we expect a significant organic increase in the gross margin of our Submarines segment in the medium term. In this context, legacy orders refer to Submarine contracts entered into prior to the first Order Intake of the 212CD program from Norway and Germany in July 2021.

We are also targeting an increase in our employee headcount of more than 25% in the medium term.

Depreciation and amortization are expected to be in the range of 3.5% to 4.0% of sales in the medium term.

For the Fiscal Year 2025/2026, we are targeting investments of around €200 million, including for the expansion of Wismar. A significant portion of these investments is expected to be funded by customer contributions. In the medium term, we are targeting a gradual decline to annual investments of approximately 4.0% of sales.

Further, starting with Fiscal Year 2025/2026, we aim to achieve a rolling three-year cumulative Free Cash Flow of greater than €400 million in the medium term.