

Annual Report of HENSOLDT AG 2025

Detect and Protect

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Highlights 2025

Financial Figures

Order intake
(in € million)

4,710

Order backlog
(in € million)

8,833

Book-to-bill

1.9x

Revenue
(in € million)

2,455

Adjusted EBITDA
(in € million)

452

Adjusted free cash flow
(in € million)

347

Other financials

Number of employees
(on 31 December 2025)

9,362

New hires

1,178

Self-funded R&D
(in € million)

142

R&D-rate
(R&D spending as a ratio of consolidated revenue)

5.8%

Capacity expansion TRML-4D
(compared to 2021)

8.5x

Capacity expansion Spexer
(compared to 2021)

6.3x



Moving to the digital battlefield with MDOcore

With the launch of its MDOcore software suite, HENSOLDT has achieved a key milestone on the road to software-defined defence solutions. As the digital foundation for multi-domain operations (MDO), MDOcore enables the first-ever end-to-end, cross-domain integration of sensor-based and impact-based systems.

Multimillion-euro order received for Luchs 2

Over the next seven years, HENSOLDT will fit the German Armed Forces' new reconnaissance vehicle, the Luchs 2, with state-of-the-art sensor technology and the Ceretron mission system. The order, valued at just under one billion euros, is the largest single order in this area of capability ever received by the company.





HENSOLDT radars boost Ukraine's air defence

HENSOLDT radars have been protecting Ukraine since the beginning of Russia's war of aggression. In 2025, further TRML-4D and Spexer radars were supplied in a major order package worth more than €340 million. HENSOLDT boasts decades of experience in radar systems for air defence and is actively driving forward their continued development.



Spexer radars also now as naval solution

HENSOLDT began offering its Spexer radar family as a naval solution in 2025. The primary purpose of these radars is to detect and defend against drones at sea. The Spexer radar also scans the sea surface for anti-ship missiles and submarine periscopes. An initial contract with the navy of one NATO country is already signed.



Pegasus: Germany's airborne SIGINT platform

Another milestone has been reached under the PEGASUS (Persistent German Airborne Surveillance System) programme, with the first aircraft successfully arriving in Germany. This now signals the start of integration, testing and certification activities for Germany's next-generation flying SIGINT platform.



ASUL: HENSOLDT enhances drone defence capabilities

The ASUL drone defence system is part of a holistic air defence solution, combining active and passive radar systems, electro-optical sensors, and other countermeasures to identify, classify, and counter drones. The German Armed Forces have commissioned HENSOLDT to expand the functional capabilities of ASUL.



Oliver Dörre
CEO
HENSOLDT AG

Letter to the shareholders

Dear Shareholders, Dear Ladies and Gentlemen,

In the scale of their political and strategic implications, the developments of 2025 surpassed even the extraordinary events of previous years. Russia's ongoing war of aggression against Ukraine, the war in the Middle East and the growing rivalry between the US and China have enormously increased the pressure on the global order and the European security architecture.

The expectations for Europe to bear greater responsibility, as recently and unequivocally articulated at the 2026 Munich Security Conference, make it clear that the ability to defend ourselves is no longer an abstract question for the future. It is an immediate imperative if we are to hold our own in a new world order that is shaped by competition between major powers and nationalism. Europe has woken up. The widespread and significantly increased defence spending, as well as diverse initiatives of NATO and the EU signify a decisive shift in perspective – away from reactive short-term responses in favour of long-term collaboration within the industry. Last year, Germany took a leading role in driving forward defence and armament policy, underpinned by reforming its government borrowing rules and bringing in its Procurement Acceleration Act.

Structural growth instead of short-term gains

HENSOLDT is already experiencing the direct impact of this new reality. Decades of equipment gaps are now being closed at a rapid pace. This shortens decision-making cycles and leads to accelerated procurement – partly with limited competition. What is important here is that the rapidly grown demand is structural in nature. In light of wars, crises and instabilities, and with a view to long-term peacekeeping, a long-term and sustainable rebuilding of European defence capabilities is necessary.

We took full advantage of these opportunities in fiscal year 2025. We stepped up our profitable growth trajectory, fully meeting and in some cases exceeding our forecasts. By doing so, we lived up to our responsibility: our technologically advanced, networked solutions are making a measurable contribution to Europe's security capabilities.

Financial strength and operational excellence

2025 was a highly successful year financially. Order intake reached an exceptional €4.7 billion, bringing our order backlog to a record level of €8.8 billion. A book-to-bill ratio of 1.9x underlines the enormous growth momentum here. Revenue grew to €2.5 billion, while adjusted EBITDA rose to €452 million. With an adjusted EBITDA margin of 18.4%, we exceeded our original expectations.

In light of this strong operating performance, we are proposing an increase in the dividend to € 0.55 per share. We are achieving a balance between growth, investment and reliable capital returns.

Milestones in technology and portfolio

Our success stems from our clear market positioning. In the Sensors segment, we saw strong demand for air defence radars and secured orders for major programmes such as Eurofighter and PEGASUS. In the Optronics segment, the Leopard 2 and, above all, the Luchs 2 were the main highlights. With the latter, HENSOLDT will be equipping the German Armed Forces with the 'next generation reconnaissance vehicle' – representing the largest single order in our history in this area, and also groundbreaking for the new generation of networked and software-centric sensors.

We set new technological standards in 2025. By introducing the MDOcore software suite, we have created the digital foundation for software-defined defence and multi-domain operations. As modern defence is increasingly based on cross-domain architecture, the integration of sensors, data and software is crucial. And this is precisely where our competitive advantage lies.

Outlook: Course set for 2026

We know what is needed for the next phase of growth. As part of our 'North Star' strategy, we are scaling up our production, stabilising supply chains and selectively expanding our international presence. Our success is always based on the people in our company. Their commitment lays the foundation of our growing performance.

I am very confident about fiscal year 2026 despite the continued challenges it is expected to bring. The market's structural drivers are intact and our order situation is excellent. HENSOLDT will continue to contribute to the security of both Germany and Europe with technologically outstanding solutions, a scaled industrial base and a clear strategic direction.

Sincerely

Oliver Dörre

Interview with the Chief Financial Officer

Mr Ladurner, from your viewpoint as CFO, how would you summarise the year 2025?

For HENSOLDT, 2025 was first and foremost a year of growth. Demand for our solutions rose significantly and we continued to enhance our market position. We were able to fully meet our ambitious financial targets, in some cases even exceeding them. It was also a year of transformation for us. In order to cope with the enormous volume, we had to adapt in terms of both industrial and organisational processes.

We successfully achieved this in 2025. We expanded our production capacities, set up a new logistics centre and pushed ahead with relocating the Optronics division to Oberkochen. The 'Operations 2.0' programme optimised central processes. We also consolidated our IT architecture and drove forward digitalisation along the entire value chain. These measures ensure that we will be able to continue to manage our growing order backlog efficiently and reliably in the future.

Let's take a look at the financial performance. What were your three highlights?

Firstly, our order intake. This was up 62.2% on the previous year, reaching €4,710 million, and this reflects the structurally high demand. Our order backlog, which grew to €8,833 million, gives us excellent planning capability for the years to come. This is a key factor for us in the finance function when it comes to future decisions on investment and capacity.

Secondly, profitability. Adjusted EBITDA grew to €452 million, representing a margin of 18.4%. This means we exceeded our outlook. Despite ongoing transformation programmes and investments in our sites, we still managed to increase our earnings. This demonstrates that we do not generate growth at the expense of earnings quality.

Thirdly, adjusted free cash flow. At €347 million, we also exceeded our guidance here. This was driven by strong operational performance and cash inflows from advance payments. This is a clear indicator for us that we are able to execute projects efficiently and fund growth through our own resources.

How did the two segments, Sensors and Optronics, perform?

In the Sensors segment, we recorded order intake of €3,143 million. This was driven primarily by air defence radars and the Eurofighter, PEGASUS and P-8 Poseidon programmes. Key products such as the TRML-4D and Spexer are impressing our customers. We have accordingly ramped up our capacities hugely, by a factor of 8.5 for the TRML-4D compared to 2021 and 6.3 for the Spexer radars. The segment achieved solid revenue growth to €2,058 million with an EBITDA margin of 19.2%.



Christian Ladurner
Chief Financial Officer
HENSOLDT AG

I am especially pleased with how Optronics developed. We more than doubled this segment's order intake to €1,585 million. The major orders for the Luchs 2 reconnaissance vehicle and the Leopard 2 were key to this. Revenue rose by 20.4% to €419 million, while adjusted EBITDA improved to €58 million – an increase of over 140%. Against this backdrop, the move to Oberkochen is a key project aimed at laying the structural foundations for even higher volumes and more efficient processes.

What are your priorities and goals for 2026?

We will be rigorously advancing our North Star strategy. The focus is on responding efficiently to high demand and further scaling Software-Defined Defence (SDD). This is underpinned by the ongoing digitalisation of our internal systems, which goes hand in hand with digitalising our portfolio.

Financially, we are entering the year from a very stable position. With a low net debt ratio of 1.6x, HENSOLDT has a healthy structure and the necessary leeway for investments. I am convinced that we will meet our short- and mid-term targets.

Obituary for Dr. Lars Immisch



HENSOLDT mourns the loss of Dr Lars Immisch, who passed away on 30 January 2026 after a serious illness. Our thoughts are with his family and loved ones.

Lars Immisch held senior human resources positions at Airbus and EADS for over 20 years before joining HENSOLDT AG as Chief Human Resources Officer on 1 October 2022.

In carrying out his role, he went far beyond that of a human resources executive. He stood for clarity, integrity and respectful interaction with others. Particularly in a phase of strong growth for our company, he had a decisive influence on the further development of leadership, culture and organisation and provided important impetus for the sustainable strengthening of our corporate culture.

He was guided by the principle of making decisions that were not only technically sound, but also responsible and humane. His attitude and commitment have ensured he has left a lasting legacy at HENSOLDT.

With Lars Immisch's passing, HENSOLDT has lost a formative leader and a valued colleague who was close to many people in the company.

HENSOLDT on the Capital Market

The HENSOLDT AG share price rose significantly in fiscal year 2025 compared to the previous year, at one point reaching a new all-time high of €117.70. At the end of 2025, the shares were trading at €73.40, 112.8% above the €34.50 share price at the end of the previous year.

Stock markets and price development of the HENSOLDT share

In fiscal year 2025, the stock market dynamics were once again greatly influenced by macroeconomic and political factors.

Alongside economic, inflation and interest rate expectations as well as the ongoing conflicts in Ukraine and in the Middle East, US politics were a key factor in determining investor sentiment. Driven by continued robust economic growth in the US, particularly in the technology sector, and expectations of moderately falling interest rates, the German DAX and MDAX stock indices started the year very positively, marking new all-time highs in the spring. The US import tariffs announced in April then caused temporary sharp stock market price corrections. However, the indices recovered notably in the course of the second quarter. Political tensions eased thanks to trade agreements between numerous countries and the US, providing positive momentum. In addition, massive investment announcements, particularly in Germany with debt reforms for defence and the special fund for infrastructure, contributed to inflows from the US to the European capital market. The DAX and MDAX subsequently moved sideways at a high level throughout the third quarter. The government shutdown in the US and concerns about possible overvaluations in the AI sector led to corrections in both indices in the autumn. By the end of the year, the DAX had largely recovered its losses and closed with a gain of 23.0%, at 24,490 points. The MDAX ended the year at 30,618 points, which was 19.8% above the previous year's level.

The HENSOLDT share price started 2025 at €34.88. Driven by ongoing geopolitical conflicts and the prospect of further increases in military spending, HENSOLDT shares rallied significantly in the following months. In particular, NATO's target of spending 3.5% of gross domestic product on defence and Germany's budget plans to achieve this target by 2029 fuelled the positive performance of the share price until June, when it reached a new high of over €100. Following this dynamic upturn, the share price consolidated over the course of the summer months, settling in a trading range between around €80 and €100. With the adoption of the German defence budget for 2025 in September and the ensuing upswing in military procurement projects, the share price rose again significantly, reaching a new all-time high of €117.70 at the beginning of October, representing an interim price increase of over 200%. This sharp rise was followed by a price correction from mid-October onwards, triggered partly by profit-taking. In mid-November, the share price fell further under pressure due to the resumption of peace negotiations in the Ukraine war, dropping below the €70 mark. The year-end closing price of the HENSOLDT share was €73.40. This amounts to a gain of 112.8% compared to the previous year's closing price. The HENSOLDT share thus significantly outperformed the MDAX.

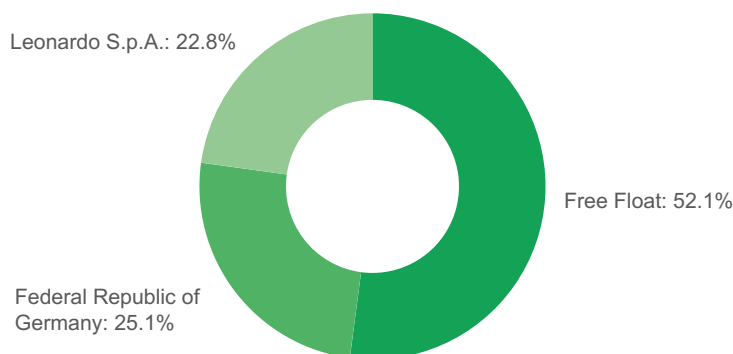
HENSOLDT AG shares have been listed on the MDAX since 20 March 2023. They have also been listed on the TecDAX since 20 June 2022.

Shareholder structure

The Federal Republic of Germany (the "Bund") is a shareholder of HENSOLDT AG through the German national development bank, KfW (Kreditanstalt für Wiederaufbau) with a share of 25.1% as at 31 December 2025, as is Leonardo S.p.A., Italy, ("Leonardo") with a 22.8% stake in HENSOLDT AG.

Free float was around 52.1% at the end of the year. The definition of free float is based on the guidelines for the stock indices of Deutsche Börse AG.

Shareholder structure of HENSOLDT AG as of 31 December 2025



Analyst coverage

In fiscal year 2025, the following well-known national and international banks and local research houses were monitoring and evaluating HENSOLDT shares:

- Agency Partners
- Bank of America Securities
- Barclays
- Citigroup
- Deutsche Bank
- DZ Bank
- Exane BNP Paribas
- Hauck Aufhäuser
- Jefferies
- J.P. Morgan
- Kepler Cheuvreux
- LBBW
- Morgan Stanley
- mwb Research
- ODDO BHF
- Warburg Research

At the end of 2025, four analysts in total issued a “buy” recommendation. Nine analysts rated the share a “hold”, and three analysts as “underweight” or “sell”. The average target price was €88.44 per share corresponding to a possible price potential of 20.5% compared with the year-end price of €73.40 per share. The analysts judged both the further growth prospects in the medium and long term as well as the current development of the security and defence industry as positive.

HENSOLDT AG publishes an Analyst Consensus Estimate containing the most important key figures. An overview is made available on the website of HENSOLDT at <https://investors.hensoldt.net>.

Investor Relations – communication with the capital market

HENSOLDT strives to maintain transparent and continuous dialogue with capital market participants. It is therefore particularly important to HENSOLDT to continue furthering relationships with investors, analysts and financial journalists through individual meetings, telephone calls, roadshows, conferences as well as company visits (where possible) and to build capital market participants' confidence in the Group. In fiscal year 2025, the Management Board held an analyst and investor call following publication of the preliminary financial figures for fiscal year 2024, the results for the first quarter, the first half year and the first nine months of 2025 and presented both the recent strategic developments of the Group, the current business performance and the growth prospects to the capital market participants.

HENSOLDT held a Capital Markets Day on 11 November 2025. At this event, the management presented a comprehensive insight into the strategic orientation and medium-term planning and gave participants the opportunity to talk directly to the HENSOLDT management.

Annual General Meeting

The fifth ordinary Annual General Meeting of HENSOLDT AG was held on 27 May 2025. The meeting was held in person. All questions from the shareholders present were answered by the Management Board of HENSOLDT AG. The shareholders approved all agenda items with large majorities. As their terms of office were coming to an end, Reiner Winkler, Marco R. Fuchs, Giuseppe Panizzardi and Raffaella Luglini were re-elected to the Supervisory Board with effect from the close of the Annual General Meeting on 27 May 2025. Raffaella Luglini (Chief Sustainability Officer at Leonardo S.p.A.) had already been appointed as a member of the Supervisory Board for a limited period until the end of the Annual General Meeting and succeeded Letizia Colucci, who had resigned from her previous position as a member of the Supervisory Board with effect from 31 May 2024. In addition, the shareholders approved an authorisation to issue convertible and/or warrant bonds, profit participation rights and/or profit bonds (or combinations of these instruments) and to exclude subscription rights, and an authorisation to acquire and use own shares with the possible exclusion of subscription and tender rights. They also approved amendments to the Articles of Association regarding Authorised Capital 2025 with the authorisation to exclude subscription rights and regarding Contingent Capital 2025. The shareholders also approved the proposal of the Supervisory Board and Management Board to pay a dividend of €0.50 per share. All voting results are available on the website of HENSOLDT at www.investors.hensoldt.net.

Basic information and key data on HENSOLDT shares in 2025

ISIN:	DE000HAG0005
WKN:	HAG000
Symbol:	HAG
Stock exchange listing:	Frankfurt Stock Exchange
Stock exchange segment:	Regulated market (Prime Standard)
Index membership:	Since June 2022 member of the TecDAX; since March 2023 member of the MDAX
Designated sponsor:	Oddo BHF
Number of shares:	115,500,000
Share type:	Bearer shares with no par value (no par value share)
Highest share price in Xetra trading in €:	117.70 (6 October 2025)
Lowest share price in Xetra trading in €:	32.80 (6 January 2025)
Closing share price in Xetra trading (31 December 2025) in €:	73,40
Market capitalisation (31 December 2025) in €:	8.478 billion
Free float (31 December 2025):	52.1%

Goals and strategies

In fiscal year 2025, HENSOLDT made further important progress in strengthening its position as a global platform-independent provider of sensor solutions for the defence and security sector. Existing growth and efficiency plans were progressed and important milestones were achieved.

In addition, HENSOLDT advanced its new strategic framework guiding the further evolution of the Group towards HENSOLDT 2.0. This comprises certain mid-term priorities, the new divisional setup developed in conjunction with the post-merger integration of ESG Group as well as our strategic vision, “North Star”, which sets guard rails for the long-term evolution of HENSOLDT by the year 2030 and beyond.

Mid-term priorities

HENSOLDT’s mid-term priorities focused again on three key cornerstones in fiscal year 2025: operational excellence, internationalisation and digitalisation.

Operational excellence

The ‘Operations 2.0’ project was initiated in 2025 and focuses on measures for a scalable, resilient and efficient system to overcome strategic challenges and meet future demand for products and services. The project aims to enhance production capabilities to achieve higher output levels and maximum efficiency. The project has already supported HENSOLDT in achieving its strategic growth targets through targeted measures in its first year. Significant progress has been made in building new capacities and further improving operational project management. The construction of the new, modern logistics centre is another important step towards operational excellence.

In its efforts to further enhance operational excellence going forward, HENSOLDT is, inter alia, securing and enhancing its supply chain to ensure reliability and efficiency, transform its engineering governance and improve its bid and project management processes. These measures will increase production rates, serve to industrialise key products and increase development efficiency. Overall focus is on enhancing the cash conversion cycle by reducing throughput times through the synchronisation of key products and optimisation of working capital. In addition, efficiency improvements in the general administrative functions are pursued as part of the comprehensive improvement measures throughout the HENSOLDT organisation.

Focused international presence

Back in fiscal year 2024, HENSOLDT started a review of its international presence, identifying the most important strategic markets for its products that provide the strong foundations for its presence in key regions. This involved a renewed emphasis on its home markets in Germany and chosen EU member states whilst driving international sales in selected attractive markets globally.

To support this, HENSOLDT established a dedicated strategic account management system to enhance its engagement with both military customers and key industrial partners. Additionally, HENSOLDT has focussed on integrating sales and business development effectively to drive growth. The integration of its national companies in South Africa, France and the UK is progressing as part of an ongoing effort to strengthen our global industrial presence. HENSOLDT is working to standardise its business processes and harmonise its structures in these countries to align with its divisional framework and with HENSOLDT Group. Furthermore, as HENSOLDT expands internationally, it continues to adopt a consistent approach to handling sensitive markets and focuses on unified export regulations across the entire Group.

Digitalisation

With around 2,600 engineering staff worldwide, HENSOLDT is established in the field of defence electronics as a sensor manufacturer across the entire electromagnetic and optical spectrum, as well as a systems vendor with top-of-the-line products. In order to further expand this core competency and increase competitiveness, HENSOLDT is consistently developing its digital and innovative product portfolio based on megatrends in the defence market such as software-defined defence (SDD) and artificial intelligence (AI). In the future, HENSOLDT will particularly expand its solution expertise in key areas such as connectivity, system-of-systems architectures, networking, data fusion and software, as

well as selected artificial intelligence capabilities. Key milestones in the current fiscal year included the product launch of the MDOcore software suite for networking sensors and weapon systems on the battlefield, and the introduction of the "Chief Digital Officer" position to ensure the consistent development of the product portfolio towards SDD across the entire company.

Its continuous development of products and technologies lays the foundation for HENSOLDT to enhance its competitiveness and meet the operational challenges and concepts of its customers. For this purpose, HENSOLDT is continuously expanding its self-funded research and development (R&D) expenditure. In total, HENSOLDT's self-funded research and development (R&D) expenditure in 2025 (consisting of R&D costs recognised as expenses and additions to capitalised development costs) amounted to €142 million (previous year: €109 million). In addition, HENSOLDT builds up its own competencies through customer-financed projects and enters into strategic partnerships nationally and internationally to enable it to supplement and expand its portfolio and thus facilitate market entry. An M&A strategy focused on growth and innovation, company acquisitions, joint ventures and minority shareholdings rounds off HENSOLDT's strategic portfolio development.

The digitalisation of the portfolio goes hand in hand with the digitalisation of HENSOLDT's internal systems and processes, which is also supported by the OneSAPnow initiative for the introduction of SAP S4/HANA and a broad AI initiative to explore ways to increase efficiency in the value chain in the fields of sales, development, production and supply chain.

New divisional setup

HENSOLDT launched a new divisional structure on 1 January 2025. This comprises four divisions, thereof two product divisions, one system and complete solutions division and one services division. In the transformation that has begun, our aim is to enhance agility and focus whilst also offering our customers an expanded portfolio of products, services and complete solutions (see section "[I.2.3 Operating segments](#)").

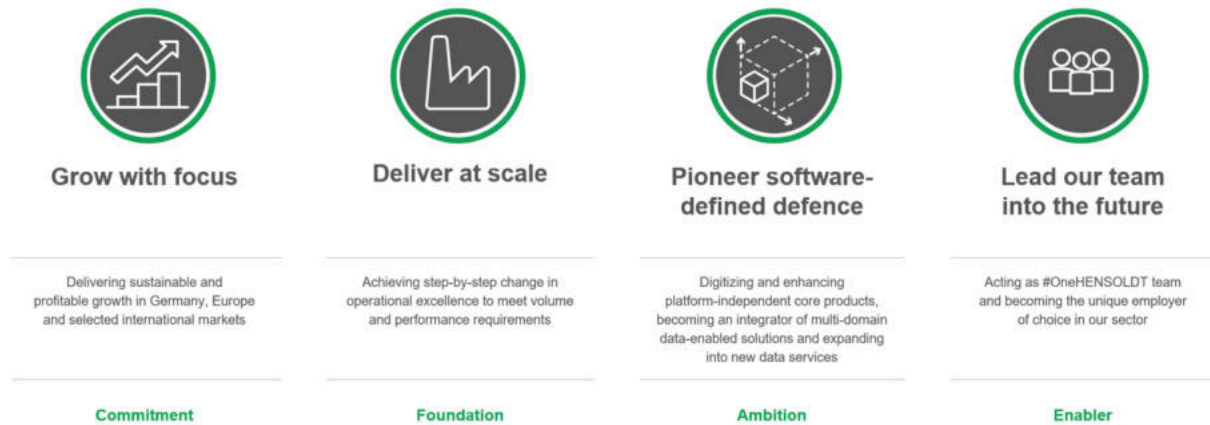
The "Radar & Electromagnetic Warfare" (REW) and "Optronics" (OPT) divisions will strengthen HENSOLDT's core product offerings and enhance its ability to meet growing demand. The newly established "Multi Domain Solutions" (MDS) division comprises the former ESG division and also the former Spectrum Dominance and Airborne Solutions division and it will focus on the development and delivery of integrated and cross-domain solutions including our own products and services as well as those of third-party manufacturers. This division will serve as a critical point of contact for customers looking to address multi-domain challenges, leveraging the complementary solutions expertise of both ESG Group and HENSOLDT. The "Services & Training" division will lead the expansion of HENSOLDT's service portfolio, diversifying our offerings and supporting long-term growth.

Strategy "North Star" 2030+

The "North Star" strategy forms the strategic framework for HENSOLDT extending beyond 2030, based on four axes. The priorities and objectives for the current fiscal year are derived from the "North Star" strategy.

The "North Star" strategy takes into account the expectations of HENSOLDT's key stakeholders, incorporating a 360° approach to reviewing customers' requirements, anticipated market developments and competitive dynamics, technology trends, expectations of

employees as well as the ambitions for the company's performance.



The first axis “Grow with focus” encompasses the commitment to international, strategic, sustainable and focused expansion beyond Germany and Europe.

In addition to focusing strongly on its home markets of Germany and Europe, HENSOLDT is pursuing selective, programme-based internationalisation in regions with long-term demand and a stable industrial policy environment. The focus is on expanding local presence and integration into national and multinational procurement programmes. The strategic regions – the United States, Canada, the Middle East, India, APAC and Australia – play a key role in this.

Through cooperation with industry partners, investments in technology companies and the development of joint product platforms, HENSOLDT is expanding its market access and creating scalable growth paths throughout the entire product life cycle as part of this strategic axis – in Germany, Europe and internationally.

The second axis “Deliver at scale” focuses on achieving economies of scale. To meet growing demand and the increasing requirements of international defence programmes, HENSOLDT is scaling its industrial base along the entire value chain. The expansion of production capacities and the securing of supply chains, the use of dual and multi-sourcing, and the introduction of a harmonised, integrated ERP system are key cornerstones of this strategy.

As an industrialised, agile and resilient company, HENSOLDT seeks to significantly improve operational excellence – through smarter, fully digitalised and more integrated processes.

The third axis “Pioneer for software-defined defence (SDD)” embodies HENSOLDT’s ambition to be a pioneer in the SDD field. HENSOLDT consistently strives to build on its technological leadership position and aligns its portfolio with the requirements of future deployment scenarios: software-defined defence, a strategic goal and, with Multi-Domain Operations Core (MDOcore), a unique selling point for HENSOLDT.

This axis focuses on software-defined sensor solutions, highly integrated electronics and state-of-the-art data processing, enabling rapid adaptability to dynamic threat situations. The use of AI methods, edge computing and networked system architectures creates an innovation-oriented technological base that ensures long-term differentiation. In addition, HENSOLDT is expanding its software-defined future portfolio via strategic partnerships, corporate venturing activities and targeted investments in critical key technologies.

The fourth axis “Leading our team into the future” puts employees at the heart of everything. They are the crucial element in HENSOLDT staying a unique employer of choice in its sector. HENSOLDT invests in a modern management and performance culture based on clearly defined responsibilities, rapid decision-making and data-driven governance. The expansion of company-wide training programmes, the promotion of interdisciplinary collaboration and a strong focus on critical future profiles – from software and AI to systems engineering – support long-term growth. The fourth axis serves as an enabler for strategic resource planning and as a component of long-term employee loyalty.

These four axes combine to form the “North Star”, the framework that enables HENSOLDT to achieve sustainable growth and consolidates its leading position in Germany, Europe and worldwide.



Combined Management Report and Consolidated Financial Statements of HENSOLDT AG 2025

Finance

About this report

This Annual Report contains the Consolidated Financial Statements and the Combined Management Report of HENSOLDT AG and its subsidiaries for the fiscal year ended 31 December 2025 as well as further information. The report complies with the annual financial reporting requirements of Section 114 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG).

The Combined Management Report includes the Sustainability Report. The report has been prepared in full compliance with the European Sustainability Reporting Standards (ESRS). The report can be found in the Combined Management Report under "[V Sustainability Report](#)".

The Annual Report also contains the report by the Supervisory Board as well as the Remuneration Report for fiscal year 2025 in "[D - Additional Information](#)".

These Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations of the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and, as a supplement, in accordance with the requirements of section 315e (1) of the German Commercial Code (HGB).

The Consolidated Financial Statements and the Combined Management Report as well as the Remuneration Report were audited by KPMG AG Wirtschaftsprüfungsgesellschaft.

The unqualified independent auditor's opinion for the Consolidated Financial Statements and the Combined Management Report can be found in "[D - III Independent Auditor's report](#)". The independent Auditor's Report also contains an assurance, in accordance with Section 328 (1) of the German Commercial Code (Handelsgesetzbuch, HGB), relating to the auditing of the electronic reproduction of the Consolidated Financial Statements and the Combined Management Report prepared for publication purposes ("ESEF format").

The Sustainability Report was subject to a separate limited assurance engagement. A separate Auditor's report was issued on this audit which can be found under "[D - IV Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Consolidated Sustainability Statement](#)".

The unqualified independent auditor's opinion for the Remuneration Report can be found in "[D - VII Independent Auditor's Report](#)" on the Audit of the Remuneration Report.

The Annual Report also includes forward-looking statements that are based on the planning, expectations, estimates and forecasts of the management of HENSOLDT Group at the time the report was produced. These statements depend on a number of assumptions and are subject to unforeseen events, uncertainties, known and unknown risks and circumstances that may cause actual results or the actual financial position, development or performance of the Group to differ materially from those expressed or implied in these forward-looking statements.

The Consolidated Financial Statements are presented in euros (€), which is the Group's functional currency. Unless otherwise stated, all financial figures presented herein are rounded to the nearest million euros in accordance with established commercial principles. Due to rounding, there may be slight deviations from the absolute numbers when forming totals and calculating percentages. Absolute amounts less than €500,000 and greater than zero euros are represented as 0 or -0 depending on the preceding sign. In contrast, items that have no value are indicated as missing by using "-".

The contents of websites referred to in the Combined Management Report are not part of the Combined Management Report and have not been audited; these serve only to provide further information.

This English report is for convenience only. In case of discrepancies between the English and the German report, the German report shall prevail.

A - Combined Management Report



Finance

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I Group fundamentals

1 Business model

The HENSOLDT Group (hereinafter also “HENSOLDT” or “the Group”) is a specialised provider of complete electronic sensor solutions for defence and security applications. HENSOLDT develops and manufactures innovative and customised solutions in the fields of radars, electromagnetic warfare, avionics and optronics. At 31 December 2025, its portfolio comprised a wide range of products and solutions. HENSOLDT is driving the development of defence electronics and optronics and is continually striving to expand and improve the current offering through its own developments based on innovative approaches to data fusion, artificial intelligence (AI) and cyber security, as well as through industrial collaborations and acquisitions designed to increase its competitiveness and expand into new markets.

As a platform- and manufacturer-agnostic system integrator in the defence and security sector, HENSOLDT supplies products for a variety of platforms (such as fighter aircraft, unmanned aerial vehicles, helicopters, naval vessels and submarines, armoured vehicles and satellites) from various manufacturers.

HENSOLDT sells its products and solutions to German and foreign governments as well as to supranational organisations such as NATO and their armed forces and security forces. This occurs both directly and indirectly, for example via commercial customers or as part of consortia or joint ventures. Such forms of industrial cooperation are entered into with other companies, for example with the Euroradar consortium, which is developing the nose radar for the Eurofighter jet. In indirect sales, HENSOLDT’s products are usually installed as components of integrated products or platforms as part of procurement projects for armed and security forces of governments and supranational organisations as end customers. These procurement projects are subject to a strict regulatory environment at both national and international levels in the form of parliamentary or administrative approvals as well as trade regulations and export controls.

In fiscal year 2025, HENSOLDT generated around two thirds of its revenue in its home market of Germany. About a quarter of revenue in 2025 was generated with other end customers in the EU and NATO (excluding Germany) as well as in NATO-equivalent countries (in particular Australia and Switzerland), for which HENSOLDT depends on standardised and reliable export control procedures. A detailed list of revenue by region is included in [Note 9.3](#).

HENSOLDT provides a wide range of solutions, products and services across the market. Consequently, the vertical range of manufacture varies between the different solutions, at the different locations and, for example, depending on the degree of series maturity. This encompasses the production of circuit boards and individual components, their integration and final acceptance through to installation at customer sites. Suppliers, who are divided into optical, electronic and mechanical suppliers depending on their specialisation, play an important role here.

2 Organisation and group structure

2.1 Legal structure

HENSOLDT Group consists of HENSOLDT AG (the “Company”) with its official office in Taufkirchen, Germany, (registered office: Willy-Messerschmitt-Str. 3, 82024 Taufkirchen, Germany, under entry no. HRB 258711, Munich Local Court) and its subsidiaries.

The Consolidated Financial Statements include the Financial Statements of HENSOLDT AG and the Financial Statements of all material subsidiaries that are directly and indirectly controlled by HENSOLDT AG. In fiscal year 2025, the liquidated company EuroAvionics Schweiz AG was deconsolidated and the subsidiary ESG InterOp Solutions GmbH, previously not consolidated for reasons of materiality, was merged with the fully consolidated ESG Elektroniksystem- und Logistik-GmbH. As a result, 35 entities, including the parent company (previous year: 36) were fully consolidated, while 1 (previous year: 1) company was included in the Consolidated Financial Statements using the equity method.

The reporting for HENSOLDT AG is included in the Combined Management Report in the section ["VIII HENSOLDT AG"](#).

2.2 Locations and employees

HENSOLDT's headquarters are in Taufkirchen near Munich, an important German centre of defence innovation. The Group's German business activities are thus based in particular in Ulm, Oberkochen, Pforzheim and in Fürstfeldbruck. Other locations in Germany include Wetzlar, Immenstaad, Kiel, Bremen and Donauwörth. As per 31 December 2025, of the 9,362 HENSOLDT employees (previous year: 8,986), among them 874 trainees, interns etc. (previous year: 856), approx. 7,700 (previous year: approx. 7,200) were employed in Germany. HENSOLDT's larger locations outside Germany are mainly based in France, South Africa and the UK.

2.3 Operating segments¹

HENSOLDT Group is, as described below, divided into the two operating segments Sensors and Optronics, both of which are subject to reporting requirements.

At the start of fiscal year 2025, a new operating structure for the divisions was implemented in order to provide optimum support for the strategic objectives of HENSOLDT. The most important change was the bundling of the system and solutions competencies of the former ESG Division and the former Spectrum Dominance & Airborne Solutions Division under the new Multi-Domain Solutions (MDS) Division.

Sensors operating segment

The Sensors segment provides system solutions with a focus on technical sensor technology from the four divisions Radar & Electromagnetic Warfare (REW), Optronics, Multi Domain Solutions (MDS) and Services & Training.

The products from the divisions REW and Optronics as well as the multi-faceted, comprehensive system solutions from the MDS Division complement each other in the value chain, generating synergies between the divisions such as through shared development and production. The Services & Training division is mainly positioned further down the value chain as an aftersales unit and is largely dependent on the primary business of the other divisions.

Radar & Electromagnetic Warfare (REW)

The Radar & Electromagnetic Warfare division of HENSOLDT develops and manufactures mobile and stationary radar and IFF systems (Identification Friend or Foe) for both military and civilian use. The division's product portfolio includes medium- and long-range air defence radars, ground surveillance systems, drone defence systems, airport surveillance systems, friend-or-foe identification systems, and systems for establishing secure data connections for air, sea and land platforms. These systems are used on various platforms. For example, the TRML-4D radar is used in the IRIS-T SLM air defence system. As a supplier to the Eurofighter programme, HENSOLDT is responsible for developing the Eurofighter Common Radar System (ECRS) Mk1 radar and further developing the Praetorian self-protection system.

The electronic warfare field focuses on the use of modern technologies to control the electromagnetic spectrum in order to neutralise enemy radar, communication and command systems using sophisticated jamming and deception techniques.

Optronics (OPT)

The Optronics division within the Sensors segment encompasses electronic self-protection systems that integrate missile, laser and radar warning sensors with countermeasures for air, sea and land platforms, for example in various helicopter models and on the PUMA infantry fighting vehicle.

Multi Domain Solutions (MDS)

The Multi-Domain Solutions (MDS) division brings together a diverse and comprehensive portfolio of solutions for the security and defence sector. MDS develops and implements tailor-made complete solutions and system solutions, including security-related systems, software and IT. As a technology and innovation partner and approved aviation company for aircraft and aircraft systems for the German Armed Forces, the division provides support for secure

¹ The disclosures in this section also provide additional information to the disclosures ESRS SBM-1 - Strategy and business model required by the ESRS in the sustainability report.

digitalisation and networking in all military and civil areas of application. MDS is responsible for the development, implementation, support and operation of individual platforms and complex end-to-end systems for both manned and unmanned applications. As a supplier of sensor technologies, HENSOLDT is strengthening its position in major programmes such as P-8A Poseidon and STH (heavy transport helicopter) and is responsible for key service and logistics projects.

The division also offers electronic systems for the detection and evaluation of radar and radio signals, as well as jamming systems that protect convoys or vehicles from improvised explosive devices, among other things. Alongside applications in the electromagnetic spectrum for land, sea and air operations, a range of defensive cyber solutions rounds off the product portfolio.

The division also includes military and civil avionics systems, for example situational awareness systems, mission computers and flight data recorders. These systems are used in the PEGASUS airborne signal intelligence system, for which HENSOLDT acts as consortium leader, in combat aircraft such as the Eurofighter, and in various transport aircraft and helicopters.

Services & Training

Ensuring operational readiness is of central importance in the defence sector. The Services & Training division mainly provides customer support and service activities, as well as professional maintenance over the entire lifecycle of the platforms and systems developed in the other divisions of the Sensors segment in order to guarantee their reliability and availability.

HENSOLDT offers a comprehensive, continually expanding training portfolio that includes in-person, in-house, blended learning, online as well as virtual-reality and extended-reality formats for the practical teaching of skills and capabilities.

Optronics operating segment

The Optronics segment offers system solutions with a focus on optronics from the three divisions Optronics (OPT), Radar & Electromagnetic Warfare (REW) and Services & Training. The focus is on the products of the Optronics division supplemented by Radar & Electromagnetic Warfare (REW) in the value chain. Services & Training is downstream from the other divisions and essentially includes the aftersales area.

Optronics (OPT)

The Optronics division includes optronics, optical instruments, and precision instruments for military, security-related and civilian applications in the areas of ground-based systems, maritime and border surveillance, airborne optronics and space technology. In terms of ground systems, the division offers reconnaissance, surveillance and target acquisition systems for military platforms (e.g. armoured vehicles), hand-held optics such as telescopic sights, visors, laser rangefinders, night vision devices and thermal imaging cameras, which support both snipers and infantry soldiers in observation and targeting. For maritime and border surveillance, optronic mast systems and periscopes for submarines as well as electro-optical/infrared surveillance systems for maritime and terrestrial infrastructures are supplied. The airborne optronics and space unit develops optics for space missions as well as electro-optical reconnaissance systems and self-protection solutions for various platforms to provide protection against complex threats. In addition, the division plays a role in the civil sector by supplying precision optics for lithographic systems in semiconductor manufacturing to aid microchip production.

Radar & Electromagnetic Warfare (REW)

The REW division within the Optronics segment offers solutions in the areas of defence and security as well as air traffic management. The defence and security portfolio particularly includes radar for ship and land applications, cryptographic devices and tactical point-to-point communication systems. The air traffic management portfolio includes the delivery, installation and maintenance of air traffic control radar, weather radar, navigation, voice communications and runway lighting systems for military and civil airports.

Services & Training

In the Services & Training division, service solutions for the products of the Optronics segment are developed, implemented and delivered. This ensures that the availability of products and systems is maintained for decades to ensure optimal functionality, performance and usability for customers.

3 Performance measurement system

Most significant financial performance indicators

HENSOLDT uses certain key performance indicators (KPIs) to measure performance, identify trends and make strategic decisions. In order to ensure a comparability of these indicators over multiple year periods and within the sector, adjusted performance indicators are also used. The most significant financial performance indicators are revenue and order intake, the book-to-bill ratio and the adjusted EBITDA.

Revenue reflects the total value of the operating activities and is thus a key figure for the company's success. For revenue, HENSOLDT differentiates between revenue from core business and revenue from pass-through business. The latter essentially results from key projects in which HENSOLDT is the consortium leader, as costs for certain components purchased from the respective consortium partners are passed on to the customer without any significant margin.

Order intake shows the future revenue potential from orders where a contract becomes effective and enforceable.

The book-to-bill ratio is defined as the ratio of order intake to revenue in the relevant fiscal year.

Adjusted EBITDA is defined as EBIT adjusted for depreciation, amortisation (including effects on earnings from purchase price allocations) and impairment, as well as certain special items relating to transaction costs, OneSAPnow-related special items as well as other special items.

Other financial performance indicators

In addition, HENSOLDT uses its order backlog as another key performance indicator, with adjusted EBIT and adjusted free cash flow as two alternative further non-GAAP performance indicators. These are intended to provide a better understanding of the financial situation of HENSOLDT Group by excluding items that are not classified as part of ongoing operations.

The order backlog is defined as the value of the order book as of the respective reporting date by recording customer orders starting with the opening backlog, taking into account revenue and adjustments for the respective reporting period, and ending with the ending backlog.

Adjusted EBIT corresponds to earnings before financial result and income taxes (EBIT), adjusted for certain special items relating to transaction costs, effects on earnings from purchase price allocations, OneSAPnow-related special items as well as other special items.

Adjusted free cash flow is defined as free cash flow adjusted for special items and M&A activities. The free cash flow is defined as the sum of the cash flows from operating and investing activities as reported in the Consolidated Statement of Cash Flows.

A reconciliation of the non-GAAP performance indicators "adjusted EBITDA" and "adjusted EBIT" to the key figures included in the Consolidated Financial Statements before adjustment is included in [Note 9.2](#).

in € million	Fiscal year		
	2025	2024	Delta
Most significant financial performance indicators			
Revenue	2,455	2,240	9.6%
Order intake	4,710	2,904	62.2%
Book-to-bill-ratio ¹	1.9x	1.3x	0.6x
Adjusted EBITDA ¹	452	405	11.7%
Other financial performance indicators			
Order backlog	8,833	6,644	32.9%
Adjusted EBIT ¹	327	295	10.7%
Adjusted free cash flow ¹	347	249	39.3%

¹ Non-GAAP performance indicators

Non-financial performance indicators

In addition to the financial performance indicators presented above, non-financial performance indicators of a strategic nature are also used for the Group, which are included as part of the remuneration of the management and other executives of the Group as part of the long-term incentive compensation. Currently, these are the ESG² goals “Diversity”, “Environmental”, “Climate Impact” and “Social” as well as the successful implementation of special multi-year projects. These do not represent significant key performance indicators, as they are not consistently controlled. A detailed analysis of the non-financial topics and performance indicators can be found in section ["V Sustainability Report"](#).

Special items

Adjusting key performance indicators for special items is intended to create transparency regarding the nature, origin and classification of the adjusted items, as well as to ensure the comparability of key performance indicators across time and across companies. Special items include only those expenses and revenues that are not attributable to ongoing operating activities, do not recur regularly, and whose nature or amount impair the meaningfulness of the periodic key performance indicators.

Special items include particularly transaction costs relating to mergers or acquisitions, effects on earnings from purchase price allocations (PPA), expenses relating to the OneSAPnow (SAP S/4HANA) business transformation, and other special items.

Other special items include other exceptional and non-regularly recurring effects. These can include, for example, restructuring measures, significant legal disputes, or extraordinary impairments.

In contrast, items that result from ordinary business activities, that occur regularly or that are an integral part of operational performance are not classified as special items, even if their amount fluctuates or varies from period to period.

4 Research and development

Research and development (R&D) in the HENSOLDT Group comprises both product-specific developments, further development of products and general research and development activities that concentrate on basic research and product innovation.

Expenditures incurred as part of the research and development activities amounted to €142 million in fiscal year 2025 (previous year: €109 million). Of which €42 million (previous year: €32 million) were recognised as an expense and €100 million (previous year: €77 million) were capitalised as development costs in fiscal year 2025. The main focus of capitalised development costs in the Sensors segment was on naval and ground radar programmes, self protection as well as Identification Friend or Foe solutions, whereas in the Optronics segment the additions mainly related to land, air

² Environmental, Social and Governance

and maritime programmes. This reflects a capitalisation ratio of 70.2% (previous year: 70.8%) based on total R&D expenses. Amortisation of capitalised development costs amounted to €48 million in the fiscal year (previous year: €41 million) and are included in this amount in the cost of sales.

The research and development ratio, calculated as the proportion of expenses incurred through the company's own R&D activities in relation to consolidated revenue, was 5.8% higher than the previous year's level of 4.9%.

Costs incurred for research and development as part of orders are allocated to the cost of sales.

II Economic report

1 Economic conditions

1.1 General economic conditions

Despite considerable uncertainties and trade conflicts, global economic development remained robust in 2025. The International Monetary Fund (IMF) forecast global growth of 3.3% for 2025, unchanged from its previous year's estimate. This figure remains slightly below the long-term average. According to the IMF, economic activity is being driven by moderate growth in advanced economies, while emerging markets continue to show mixed developments. According to the IMF, heavy investment in artificial intelligence, primarily in North America and Asia, coupled with accompanying infrastructure spending, significantly mitigated and overcame the economic impact of US tariffs in 2025. One positive development worth highlighting is the rapid adaptation of global supply chains to changes in trade policy. On the other hand, challenges remain in the form of domestic and geopolitical tensions, restrictive monetary policy, fluctuating energy prices, and ongoing uncertainties in international trade. Global inflation continued its downward trend and was forecast to reach 4.1% in 2025, albeit with regional differences.

The economic recovery in the eurozone was weaker than in other advanced economies. The IMF anticipates growth of 1.0% for 2025. The weak industrial economy – particularly in the manufacturing sector, still suffering from high energy prices as a result of Russia's war against Ukraine – and increased geopolitical uncertainty had a negative impact on growth. At the same time, the decline in inflation to around 2.0% gave a slight boost to real income growth, with private consumption having a stabilizing effect.

The German economy remained sluggish in 2025. According to the ifo Institute and the German Council of Economic Experts, gross domestic product largely stagnated and was expected to be 0.2% for 2025. A number of factors contributed to the overall economic downturn in Germany. These included protectionist and volatile US trade policy, the appreciation of the euro, and structural challenges such as demographic change, cautious investment behaviour, high energy prices, and declining international competitiveness. Despite a moderate rise in unemployment, the labour market remained stable, with job losses mainly in the manufacturing sector.

1.2 Conditions in the defence and security sector

Increasing geopolitical tensions continue to shape the international security situation. The war between Russia and Ukraine, the recent military escalation between Iran, Israel and the US, with resulting repercussions for numerous states in the region, as well as further conflicts in the Middle East, are shifting security policy priorities and increasing the global demand for defence and deterrence capabilities. The current developments also highlight the risk of further regional destabilisation of the Middle East with potential repercussions for global security and energy architectures. At the same time, the strategic rivalry between the US and China is exacerbating tensions between the geopolitical superpowers. The increasing pressure being applied by the US on European countries to invest more in their defence capabilities became abundantly clear in the dispute over Greenland. Furthermore, hybrid forms of attack, such as cyberattacks, disinformation campaigns, and assaults on critical infrastructure, are putting pressure on countries to strengthen their security capacities.

This has brought about a historic turning point in the transatlantic region. According to NATO data, all member states are expected to reach the 2% target by 2025. The alliance's defence budgets are continuing to rise significantly, reflecting the need for structural modernisation and faster delivery of capabilities. The roadmap agreed at the NATO summit in The Hague, which sets out plans to increase defence spending to 5% of GDP by 2035 – with 3.5% allocated to core defence and up to 1.5% to infrastructure, resilience and innovation – remains the key strategic framework.

Germany is systematically implementing these priorities. Following defence expenditure of over €86 billion in 2025, the defence budget will increase to €108.2 billion in the approved federal budget for 2026. Of this, €82.7 billion will be allocated to the core defence budget and €25.5 billion to the special fund for the Bundeswehr. In addition, commitment appropriations of around €324 billion will provide long-term financial planning certainty for procurement projects.

Budget decisions are reflected directly in specific procurement activities: since mid-2025, numerous 25-million-euro projects have been approved; in total, more than 150 projects are to be debated in parliament by the end of 2026 – many of them featuring substantial HENSOLDT involvement and for all military dimensions and branches of the armed forces.

Support for Ukraine remains another key focus. Germany remains one of Europe's leading support providers, having allocated military aid worth around €40 billion since the war began. For 2026, military aid has been increased by a further €3 billion – in particular for artillery systems, drones, armoured vehicles and air-defence components. These commitments not only reinforce Ukraine's defence capabilities, they also stabilise European security industry foundations.

At the same time, the European Union is stepping up its industrial policy measures. As of 2025, the SAFE (Security Action for Europe) programme has a funding framework of up to €150 billion, while the ReArm Europe / Readiness 2030 strategy aims to mobilise up to €800 billion in defence investment by the end of the decade. Both initiatives promote interoperability, accelerate procurement processes and strengthen Europe's technological independence.

The release of the new US National Security Strategy in December 2025 also marks a fundamental shift in the strategic framework for European security architecture. The US emphasises a stronger focus on its own national priorities and explicitly states that its military resources must be increasingly concentrated in the Indo-Pacific region. This new emphasis effectively marks a gradual decoupling by the US from Europe's security concerns and underpins the expectation that European countries will assume greater responsibility for their own defence capabilities. For Europe, this means that it needs to further expand its sovereign military and industrial capacities, reduce dependencies, and focus more on developing capabilities within the European security sphere.

Meanwhile, the nature of military capabilities is changing fundamentally. Software-defined systems, multi-domain operations, artificial intelligence and data fusion are becoming key factors in modern defence. National and European procurement strategies seek to rapidly integrate these capabilities into their armed forces – supported by the German Planning and Procurement Acceleration Act (BwPBGG), set to come into force in early 2026. This opens up additional opportunities for HENSOLDT: the BwPBGG will accelerate national procurement decisions and strengthen security-related industrial value creation in Germany and Europe.

With the security policy decisions made in recent months and the resulting procurement decisions, an environment is emerging that requires modern capabilities to be available quickly and in a scalable manner. HENSOLDT is excellently positioned for this, as a platform-independent provider of high-integrated sensor and data technologies and as a technological pioneer in the field of software-defined defence. The increasing demand for networked, digitally controlled weapon systems opens up additional growth opportunities for HENSOLDT in Germany and Europe.

2 Business development and key events

Business development and key events in the reporting period

Germany's security policy environment continues to be marked by numerous crises and conflicts around the world, and these are becoming increasingly complex and volatile. Russia's war against Ukraine, conflicts in the Middle East – which recently escalated into an armed conflict (Middle East war) involving the United States of America (US) and the State of Israel jointly against the Islamic Republic of Iran (Iran) – and the strategic confrontation between the US and China are shifting security policy priorities and increasing the global demand for defence and deterrence capabilities. The growing tensions between the US and Europe also raise issues that not only affect bilateral relationships but also the entire international order. This poses great challenges for Germany, Europe and the North Atlantic alliance. It is clear that both national and European actors are determined to strengthen defence capabilities and respond to current security policy challenges. The ongoing investment in the security and defence industry will not only provide assurance of operational readiness, but also open up significant business opportunities for HENSOLDT in the European market.

Overall, HENSOLDT's operating business in fiscal year 2025 continued its positive development, and significant order intake was achieved through further procurements made by the German government. With an order volume of €4,710 million, the high order intake of the previous year's period of €2,904 million was exceeded by 62.2%. The growth was achieved in both segments, although the Optronics segment's performance was particularly positive, recording an increase in order intake of 114.3% – mainly through large orders for the Luchs 2 "next-generation reconnaissance vehicle". This development reaffirms HENSOLDT's successful positioning in its core markets and the high level of demand for the solutions it offers. Revenue, containing lower pass-through business revenue compared to the previous year period, increased to €2,455 million (previous year: €2,240 million) in fiscal year 2025. This represents an increase compared to the previous year of 9.6% or €215 million. This increase is primarily attributable to the significant growth in core business, which developed particularly well in the Optronics segment, but also in the Sensors segment of the MDS

division, driven inter alia by the business activities of the ESG Group. The significant increase in adjusted EBITDA of 11.7% (€452 million; previous year: €405 million) was mainly driven by the positive development in the Optronics segment and resulted in an adjusted EBITDA margin of 18.4% (previous year: 18.1%). The increase in adjusted EBITDA for the Group was mainly a result of higher sales volumes in the core business. The book-to-bill ratio was 1.9x in fiscal year 2025, an increase of 0.6x compared to the previous year period, driven primarily by significant order intake in the fourth quarter of 2025.

In April 2025, HENSOLDT successfully completed the realignment of its financing structure, and through a comprehensive refinancing programme took a decisive step towards further financial independence and flexibility. Under this refinancing, HENSOLDT has replaced the previous financing arrangement with an unsecured, flexible corporate financing structure. The previous term loan and term facility totalling €1,070 million and the €370 million revolving credit facility were replaced by a new syndicated loan agreement. The new syndicated loan includes a €850 million term loan, a €150 million bridging loan and a new revolving credit facility of €400 million. A guarantee line of €400 million was also agreed with the banking syndicate. The new financing arrangement made improvements in all aspects of the financial conditions. The optimised capital structure leads to a more stable interest burden in the long term, while creating additional corporate leeway for more rapid strategic decision-making independent of external capital providers.

HENSOLDT entered into a strategic cooperation with Munich-based defence tech startup Quantum Systems GmbH in April 2025. This partnership is linked to HENSOLDT having acquired 1.6% of the shares in Quantum Systems GmbH and sets the foundation for closer collaboration in the area of software-defined defence (SDD). The partnership combines HENSOLDT's extensive expertise in sensor data fusion, sensor resource management and data management, and in distributed systems with Quantum Systems' cutting-edge unmanned aerial systems (UAS) and software skills. Together, the companies aim to accelerate the development and deployment of interoperable, multi-domain defence capabilities.

HENSOLDT AG held its Annual General Meeting on 27 May 2025. It was decided to pay a dividend of €0.50 per share (total of €57.8 million) to the shareholders of HENSOLDT AG for the fiscal year 2024.

In July 2025, a promissory note loan in the amount of €300 million was issued as part of the comprehensive refinancing programme initiated in April 2025. The loan consists of €65 million with a three-year term at fixed and variable interest rates, a further €150 million with a five-year term at fixed and variable interest rates and €85 million with a seven-year term at fixed interest rates. The promissory note loan replaced the bridge loan of €150 million.

In November 2025, HENSOLDT announced that Dr Lars Immisch, Member of the Management Board (CHRO) and HR Director, would be leaving the company at his own request at the close of 2025/beginning of 2026. Following a resolution by the Supervisory Board, Inka Tews was appointed as a Member of the Management Board for a term of three years, effective from 1 May 2026. Until Inka Tews takes over the position of CHRO, the Management Board, working together with the HR management team, will ensure continuity and stability in all personnel-related matters.

Events after the reporting date

In March 2026, HENSOLDT AG entered into an agreement to acquire 100% of the outstanding shares of Beusker's Apparaten Fabriek B.V. ("BAF"). BAF is the 100% shareholder of B.V. Nederlandse Instrumenten Compagnie "Nedinsco" ("Nedinsco"). Nedinsco is active in the defence and semiconductor industry and focuses on the development and production of optomechatronic systems, including periscopes, driver vision systems and subsystems for optronic sensor units. The Management Board and Supervisory Board of HENSOLDT AG have unanimously approved the full acquisition of BAF. The acquisition will be entirely financed from existing funds. Subject to regulatory approvals and other conditions, the acquisition, including the obtaining of control and the payment of the purchase price for the shares in BAF is expected to be completed around mid-2026 and by 31 October 2026 at the latest.

3 Net assets, financial position and results of operations

3.1 Results of operations

Order intake, revenue, book-to-bill ratio and order backlog

in € million	Order intake			Revenue			Book-to-bill			Order backlog		
	Fiscal year			Fiscal year			Fiscal year			31 Dec.	31 Dec.	
	2025	2024	% Delta	2025	2024	% Delta	2025	2024	% Delta	2025	2024	% Delta
Sensors	3,143	2,209	42.3%	2,058	1,908	7.9%	1.5x	1.2x	0.4x	6,505	5,463	19.1%
Optronics	1,585	740	114.3%	419	348	20.4%	3.8x	2.1x	1.7x	2,366	1,225	93.0%
Elimination/ Transversal/Others	-18	-45		-21	-15					-38	-44	
HENSOLDT	4,710	2,904	62.2%	2,455	2,240	9.6%	1.9x	1.3x	0.6x	8,833	6,644	32.9%

The figures for 2024 include the activities of the acquired ESG Group starting from the second quarter of 2024 in the Sensors segment.

Order intake

In fiscal year 2025, HENSOLDT Group achieved a significant increase in order intake, rising across the whole Group by 62.2% to €4,710 million (previous year: €2,904 million). Both segments contributed to this increase, although the major share of the growth was attributable to the Optronics segment with a rise of 114.3%.

The Sensors segment recorded an order intake of €3,143 million in the reporting year, an increase of 42.3% over the previous year. This positive development resulted primarily from contract extensions for Eurofighter Mk1 radars and additional orders for TRML-4D and Spexer radars to support Ukraine in the REW Division. Additional order intake under the key project PEGASUS (airborne electronic signals intelligence system) and order intake under the P-8 Poseidon programme in the MDS division also contributed significantly to this result. The previous year period included, in particular, orders for the short-range air defence system (LVS NNbS) as well as orders for TRML-4D radars to support Ukraine and as part of the European Sky Shield Initiative (ESSI) for Latvia and Slovenia.

With a year-on-year increase of 114.3% to €1,585 million (previous year: €740 million), order intake in the Optronics segment rose significantly in fiscal year 2025. This development was largely driven by major orders for the Luchs 2 new-generation reconnaissance vehicle, on which HENSOLDT provides the sensor technology and the Ceretron mission system, and for the Leopard 2 battle tank within the Ground Based Systems (GBS) product line. Significant order intake was also achieved in the Naval & Border Surveillance product line. The previous year included orders relating to Final Focus Metrology (FFM), orders for the laser rangefinder for the M1 Abrams battle tank and an order for the LVS NNbS project.

Revenue

The Group's revenue amounted to €2,455 million in fiscal year 2025 (previous year: €2,240 million), representing an increase of 9.6% year on year. This increase is primarily due to the significant upturn in core business, which developed particularly positively in the Optronics segment and in the MDS Division of the Sensors segment.

In the Sensors segment, revenue amounted to €2,058 million in fiscal year 2025, representing an increase of 7.9% or €150 million over the previous year. The main driver of this positive development was further growth in the core business, particularly in the MDS division and also revenue from business activities of the ESG Group. In line with expectations, pass-through revenue decreased due to the ongoing implementation of the PEGASUS and Eurofighter radar key projects.

In the Optronics segment, revenue amounted to €419 million in fiscal year 2025. This represents a year-on-year increase of 20.4% or €71 million, which was mainly generated in the Ground-Based Systems product lines of the German unit.

Book-to-bill ratio³

The book-to-bill ratio developed positively, increasing by 0.6x to 1.9x in fiscal year 2025.

In the Sensors segment, a book-to-bill ratio of 1.5x was achieved. The increase by 0.4x compared to the previous year's period was mainly due to the high order intake.

The book-to-bill ratio in the Optronics segment of 3.8x was significantly higher than the significant book-to-bill ratio of 2.1x recorded in the previous year. The increase mainly resulted from significant order intake for Luchs 2 and Leopard 2 in the fourth quarter of fiscal year 2025 recorded in the German unit's Ground-Based Systems product line.

Order backlog

Order backlog at Group level increased by 32.9% to a total of €8,833 million (previous year: €6,644 million) due to the significant book-to-bill ratio of 3.8x in the Optronics segment.

In the Sensors segment, the order backlog of €6,505 million was significantly higher than the previous year's figure of €5,463 million. The increase compared to 31 December 2024 was mainly driven by the high level of order intake in the REW division.

The significant increase in the order backlog of the Optronics segment, by 93.0% to €2,366 million compared to 31 December 2024, resulted primarily from the significant order intake in the fourth quarter 2025.

Income

in € million	Profit			Profit margin ¹	
	Fiscal year			Fiscal year	
	2025	2024	% Delta	2025	2024
Adjusted EBITDA Sensors	394	381	3.5%	19.2%	20.0%
Adjusted EBITDA Optronics	58	24	140.4%	13.8%	6.9%
Adjusted EBITDA	452	405	11.7%	18.4%	18.1%
Depreciation, amortisation and impairments of non-current assets	-181	-163	-11.2%		
Special items ²	-50	-57	12.7%		
Earnings before financial result and income taxes (EBIT)	221	185	19.6%	9.0%	8.3%
Financial result	-94	-68	-38.8%		
Income taxes	-41	-12	>-200 %		
Group profit / loss	86	106	-18.3%	3.5%	4.7%
Earnings per share (in €; basic/diluted)	0.77	0.93	-17.8%		

¹ The profit margins are calculated in relation to the corresponding revenue.

² See the definition of special items in chapter ["1.3 Performance measurement system"](#).

Adjusted EBITDA

HENSOLDT achieved an adjusted EBITDA of €452 million in fiscal year 2025 (previous year: €405 million). The significant improvement in adjusted EBITDA by 11.7% year-on-year was mainly driven by the positive development in the Optronics segment and led to an adjusted EBITDA margin of 18.4% (previous year: 18.1%). This improvement in underlying adjusted EBITDA across the Group mainly resulted from increased volume of revenue in core business.

The increase in adjusted EBITDA in the Sensors segment, up 3.5% compared to the previous year, resulted from a higher volume of revenue, which, compared to the previous year period, contained higher revenue in the higher-margin core business and a lower share of revenue from pass-through business in the key projects. This positive development was achieved despite temporary productivity losses in the first half of the year, which occurred in the course of

³ The book-to-bill ratio is defined as the ratio of order intake to revenue in the relevant fiscal year.

commissioning the new logistics centre. Positive effects on adjusted EBITDA also resulted from the contribution of the ESG Group in the MDS division, which compensated for the negative project-mix in the REW division.

In the Optronics segment, adjusted EBITDA improved significantly compared to the previous year, in particular in the German unit. This increase was primarily attributable to volume effects resulting from increased production and to lower operating and other expenses. This development was partly offset by project-mix effects and expenses relating to the new Oberkochen site.

Earnings before financial result and income taxes (EBIT)

In addition to the effects on adjusted EBITDA described above, EBIT includes the following effects of depreciation and amortisation as well as special items.

Depreciation and amortisation increased mainly due to the first-time recognition of rights-of-use for property leases for the new location in the Optronics segment and capitalised development costs.

The decrease in special items⁴ resulted mainly from lower expenses incurred for consultation services and transaction costs relating to the acquisition and integration of the ESG Group and due to lower expenses for the newly commissioned logistics centre in fiscal year 2024 and the accompanying implementation of an IT inventory management system. This was offset by higher OneSAPnow-related expenses in connection with the business transformation for SAP S/4HANA and expenses for occupying the new site in Oberkochen.

Group profit / loss

The Group profit / loss is calculated as shown above from the adjusted EBITDA, depreciation and amortisation, special items, the financial result and income taxes.

The increase in the negative financial result was primarily attributable to higher interest expenses from the recognition of lease agreements and from expenses from foreign currency effects. In addition, interest income from cash investments was lower compared to the previous year period. The refinancing led to additional expenses incurred for the repayment of the replaced loans. These were offset by lower interest expenses for the new term loan and the promissory note loans compared to the previous loans.

This was an increase in income taxes of €29 million in fiscal year 2025, rising to €41 million (previous year: €12 million). Income taxes include current tax expenses of €24 million (previous year: €13 million) and deferred tax expense of €17 million (previous year deferred tax income: €1 million).

The higher current income tax expense is due to tax loss carryforwards of the German companies that were utilised in the previous year. The changes in deferred taxes relate primarily to the reduction in deferred tax assets due to the utilisation of loss carryforwards and the future reduction in the corporation tax rate.

Earnings per share

Earnings per share decreased from €0.93 to €0.77 compared to the previous year, mainly due to higher income taxes and higher financial expenses.

The Management Board intends to propose to the Supervisory Board the distribution of a dividend of €0.55 per share (previous year: € 0.50 per share) to shareholders entitled to such dividends. This corresponds to an expected total payment of around €63.5 million (previous year: €57.8 million). The payment of the proposed dividend is subject to the approval of the Annual General Meeting.

⁴ See the definition of special items in chapter ["1.3 Performance measurement system"](#).

3.2 Net assets⁵

	31 Dec.	31 Dec.	
in € million	2025	2024	% Delta
Non-current assets	2,562	2,289	11.9%
<i>therein: Right-of-use assets</i>	413	249	65.9%
Current assets	2,865	2,407	19.0%
<i>therein: Inventories</i>	878	719	22.1%
<i>therein: Cash and cash equivalents</i>	933	733	27.3%
Total assets	5,427	4,696	15.6%

As of 31 December 2025, the Group's assets increased by €731 million or 15.6% to €5,427 million. The increase is due in particular to higher cash and cash equivalents of €200 million, a €164 million increase in right-of-use assets and a €159 million increase in inventories.

Non-current assets amounted to €2,562 million as of 31 December 2025, up €273 million or 11.9% from the previous year's figure of €2,289 million. This increase was largely due to the first-time recognition of right-of-use assets for property leases for the new site in the Optronics segment. The new site in Oberkochen is designed to enable the company's planned growth and maximum flexibility for current and future production models in manufacturing, as well as efficient and effective work in all areas.

Current assets increased by €458 million or 19.0% over the previous year's value from €2,407 million to €2,865 million as of 31 December 2025. This increase is primarily attributable to higher cash and cash equivalents (+€200 million) and a €159 million increase in inventories. Cash and cash equivalents increased in particular due to cash inflows from the €300 million promissory note loan issued in July 2025 and a positive free cash flow of €217 million. This was offset by the repayment of existing loans as part of the refinancing completed in April 2025, which resulted in a net cash outflow of €220 million, and the dividend payment to HENSOLDT AG shareholders for the 2024 financial year in the amount of €58 million. The increase in inventories is mainly due to higher stocks of raw materials, consumables and supplies as well as work in progress intended to secure production capacity and enable an expansion of production to accommodate the increased order volume.

3.3 Financial position

Basic principles of financial management

HENSOLDT's financial management is focused on guaranteeing financial stability, flexibility and especially liquidity of the Group at all times. This includes management of the financing structure of HENSOLDT Group, the cash and liquidity management and the monitoring and controlling of market price risks such as exchange rate and interest rate risks. The financing structure of HENSOLDT Group enables it to maintain financial scope in order to take advantages of business and investment opportunities.

Capital structure of the Group

The Group has entered into external financing arrangement with credit agreements and a revolving credit facility ("Revolving Credit Facility" or "RCF") and a promissory note loan. In 2025, the Group realigned its financing structure.

The previous term loan and term facility totaling €1,070 million and the revolving credit line of €370 million were replaced in April 2025 by a new syndicated loan agreement ("Facilities Agreement") comprising various credit facilities through net settlement. The newly negotiated syndicated loan agreement includes a term loan with a volume of €850 million. In addition, a new revolving credit facility in the amount of €400 million was set up.

In July 2025, promissory note loans totaling €300 million were issued. This included €65 million with a term of three years at partly fixed and partly variable interest rates, a further €150 million with a term of five years at partly fixed and partly variable interest rates, and €85 million with a term of seven years at a fixed interest rate.

⁵ Only changes in balance sheet items exceeding €50 million and with a percentage deviation of more than 10% are explained.

The availability and terms of the long-term syndicated loan agreement concluded in April 2025 depend on compliance with financial covenants, which have undergone only minor adjustments compared with the previous financing. The financial covenant relates to the ratio of net debt to adjusted earnings before interest, taxes, depreciation, and amortization ("consolidated EBITDA") as defined in the syndicated loan agreement. The terms of the financing continued to be complied with in fiscal year 2025. In the event of a breach of the terms, the financing partners are entitled to terminate the relevant syndicated loan. At present, there are no indications that the covenant cannot be fully complied with in the foreseeable future.

Financial position⁶

	31 Dec. 2025	31 Dec. 2024	% Delta
in € million			
Equity	1,002	886	13.1%
<i>therein: Share capital / Capital reserve</i>	554	589	-5.9%
<i>therein: Other reserves</i>	128	37	> 200 %
<i>therein: Retained earnings</i>	309	245	25.9%
Non-current liabilities	2,091	1,927	8.5%
<i>therein: Non-current provisions</i>	287	418	-31.2%
<i>therein: Non-current financing liabilities</i>	1,163	1,072	8.5%
<i>therein: Non-current lease liabilities</i>	416	256	62.2%
Current liabilities	2,334	1,883	23.9%
<i>therein: Current contract liabilities</i>	1,146	776	47.7%
<i>therein: Trade payables</i>	591	546	8.1%
<i>therein: Other current liabilities</i>	219	151	44.9%
Total equity and liabilities	5,427	4,696	15.6%

As of 31 December 2025, equity and liabilities increased by €731 million or 15.6% to €5,427 million compared to €4,696 million as of 31 December 2024. This rise was primarily due to an increase in current liabilities.

Equity increased in fiscal year 2025 by €116 million to €1,002 million. This resulted particularly from the Group profit of €89 million attributable to the shareholders of HENSOLDT AG. In addition, other reserves increased by €91 million, mainly due to actuarial adjustments to provisions for pension benefits and the increase in plan assets. By contrast, the dividend payment of €58 million had a negative impact on retained earnings. A reclassification of €35 million from capital reserves to retained earnings was also made.

Non-current liabilities amounted to €2,091 million as of 31 December 2025, up €164 million from the previous year's figure of €1,927 million. The increase was primarily due to the €160 million rise in lease liabilities in connection with the new property leases for the new site in Oberkochen. The realignment of the financing structure in April 2025 also contributed to the increase: As part of this measure, the previous term loan and term facility totalling €1,070 million were replaced by a new term loan with a nominal value of €850 million. In addition, a promissory note loan of €300 million was issued in July 2025. By contrast, reduced non-current provisions (€-130 million), in particular due to lower provisions for pension obligations as a result of higher interest rates and higher plan assets, had a contrasting effect on the movement in non-current liabilities.

Current liabilities increased to €2,334 million as at 31 December 2025, up €451 million on the previous year's figure of €1,883 million. The increase was mainly due to higher contractual liabilities, which rose by €370 million. This development is primarily the result of prepayments received, inter alia related to TRML-4D radars. Furthermore, trade payables rose by €44 million, due to the higher business volume at the end of the fiscal year. The €68 million increase in other current liabilities was mainly due to higher VAT liabilities arising from the increased sales volume in the fourth quarter.

⁶ Only changes in balance sheet items exceeding €50 million and with a percentage deviation of more than 10% are explained.

Investment and liquidity analysis

in € million	Fiscal Year		
	2025	2024	Delta
Cash flows from operating activities	450	311	139
Cash flows from investing activities	-233	-745	512
Free cash flow	217	-434	651
Transaction costs	0	11	-11
OneSAPnow-related special items	45	36	9
M&A activities ¹	29	574	-545
Other special items ²	56	62	-6
Adjusted free cash flow	347	249	98
Cash flows from financing activities	-20	367	-388

¹ Defined as sum of "Proceeds from sale of intangible assets and property, plant and equipment", "Payments for investments in non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets", "Proceeds from disposals of non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets", "Acquisition of subsidiaries net of cash acquired" as well as "Other cash flows from investing activities" as reported in the Consolidated Statement of Cash Flows. In addition, a compensation obligation paid in connection with the acquisition of the ESG Group was recognised in operating cash flow in the fiscal year 2024.

² See the definition of "other special items" in chapter ["1.3 Performance measurement system"](#).

Free cash flow

The cash flows from operating activities were once again at a very high level of €450 million and above the previous year's value (€311 million). In addition to the continuing positive operating performance, changes in working capital had a particular impact. This primarily reflects cash inflows from advance payments received in connection with TRML-4D radars and Eurofighter Mk1 radars, for example. This was offset by cash outflows for investments in inventories to handle the planned business volume in the following quarters, among other things.

The significantly lower cash flow from investing activities compared to the previous year (€-233 million; previous year: €-745 million) includes, in particular, cash outflows for investments in development projects, for the business transformation to SAP S/4HANA, for property, plant, and equipment, and for the acquisition of shares in Quantum Systems GmbH. In the previous year period, cash flow from investing activities was substantially influenced by the purchase price payment for acquiring 100% of the shares in the ESG Group.

As a result, free cash flow in the current fiscal year 2025 significantly increased by €651 million, reaching €217 million (previous year: €-434 million).

Adjusted free cashflow

At €347 million, adjusted free cash flow was once again at a very high level and exceeded the figure of the successful previous year by €98 million.

The increased cash outflow for OneSAPnow-related special items reflects the increased investments resulting from the progress of the business transformation within the framework of SAP S/4HANA. Significantly lower cash outflows for M&A activities⁷ in fiscal year 2025 amounting to €29 million (previous year: €574 million) include, in particular, cash outflows for the acquisition of shares in Quantum Systems GmbH. Other special items mainly include cash outflows incurred in connection with the gradual occupation of the new site in Oberkochen. In addition, cash outflows for consulting services incurred in connection with the acquisition and integration of the ESG Group as well as payments for the new logistics centre commissioned in fiscal year 2024 and the associated implementation of an IT merchandise management system are included.

⁷ Defined as sum of "Proceeds from sale of intangible assets and property, plant and equipment", "Payments for investments in non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets", "Proceeds from disposals of non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets", "Acquisition of subsidiaries net of cash acquired" as well as "Other cash flows from investing activities" as reported in the Consolidated Statement of Cash Flows. In addition, a compensation obligation paid in connection with the acquisition of the ESG Group was recognised in operating cash flow in the fiscal year 2024.

Cash flows from financing activities

Cash flows from financing activities decreased significantly compared to the previous year and reflected in particular the cash outflows from the refinancing, the dividend payments to HENSOLDT AG shareholders, and leasing agreements. The issuance of the promissory note loan led to corresponding cash inflows. The cash inflow recorded in the same period of the previous year related to the drawdown of a loan to finance the purchase price for the acquisition of shares in the ESG Group.

3.4 Overall assessment

The Management Board assesses the economic performance of HENSOLDT Group as overall positive. The Group's order intake, expectations for which were raised from a moderate to a significant increase as of 30 September 2025 due to the persistently high threat level and further procurement by the German government, was confirmed. The original forecast was thus exceeded. Thanks to a significant increase in revenue volume in both the Sensors and Optronics segments and in the core business, the forecast for significant revenue growth in fiscal year 2025 was almost achieved. The book-to-bill ratio, which was raised to between 1.6x and 1.9x for the fiscal year 2025 due to raised expectations for order intake as of 30 September, was in line with expectations at 1.9x. Adjusted EBITDA also confirmed expectations of significant growth due to the increase in business volume and the resulting realisation of economies of scale.

The Management Board assesses the net assets and financial position of the HENSOLDT Group as overall positive. The Group's liquidity was secured at all times during the fiscal year.

III Forecast

1 Development of overall economic conditions

Leading economic institutes have a cautiously positive outlook for the global economy in 2026 and 2027. The IMF expects global growth to remain at around 3.3% for 2026 and 3.2% for 2027, with an expected slowdown in momentum in the high-tech sectors. This development is supported by a gradual easing of inflationary pressures and stabilising demand. However, the IMF warns that the overall situation remains fragile. The potential productivity gains from artificial intelligence are counterbalanced by the risk of an investment bubble, whose development will be monitored over the course of the year. In addition, significant risks remain from a possible escalation of trade conflicts, particularly from the reintroduction or tightening of tariffs in response to geopolitical tensions and political volatility in the US. Geopolitical risks, especially in the Middle East and the Asia-Pacific region, also remain a major source of uncertainty.

For the eurozone, the economic institutes forecast a hesitant but stable recovery. An improvement in overall financial conditions, less uncertainty, a slight upturn in private consumption and a cautious increase in investment activity are expected to contribute to growth of 1.3% in 2026 and 1.4% in 2027. The ifo year-end report confirms this assessment and emphasises the importance of a recovery in industrial production to achieve a sustainable recovery. The inflation rate is expected to fall further during this period and move closer to the European Central Bank's target. Nevertheless, there are downside risks, particularly from US tariff policy, increased competition with China, the strong euro and numerous geopolitical conflicts, which are dampening the outlook, especially for the export economy.

For Germany, the German Council of Economic Experts and the ifo Institute anticipate a gradual economic recovery. For 2026, the experts at the ifo Institute forecast growth of 0.8%, whereas the IMF is somewhat more optimistic with its estimate of 1.1%. The IMF says this improvement is primarily based on fiscal policy stimulus in the form of additional government spending, particularly on infrastructure and defence. In addition, the fall in the inflation rate is contributing to rising disposable incomes and stronger private consumption. Nevertheless, numerous challenges remain: in addition to structural location disadvantages, a continuing critical energy price level and declining international competitiveness, the shortage of skilled workers continues to have a limiting effect.

2 Development in the defence and security sector

In 2025, global security issues continue to be dominated by geopolitical tensions, regional conflicts and an ongoing build-up of military capabilities. Russia's war of aggression against Ukraine, the recent military escalation between Iran, Israel and the US, as well as further conflicts in the Middle East and the strategic rivalry between the US and China have transformed the global security architecture.

Based on current NATO data, all member states are expected to reach the 2% target for defence spending by 2025, which is a historic high and shows the ongoing political will to steadily strengthen defence capabilities and deterrence. NATO spending trends also show that the alliance's defence budgets continue to grow significantly, reflecting the pressing need for military modernisation in light of the geopolitical situation.

At its summit in The Hague in June 2025, NATO also adopted one of its most ambitious targets to date: to increase defence spending to 5% of GDP by 2035, including 3.5% for core defence and up to 1.5% for infrastructure, innovation and resilience. This decision solidifies the transatlantic alliance and strengthens European industrial policy.

Germany continues to drive forward the strengthening of its defence capabilities. Defence spending of over €86 billion has been reported for 2025; with the 2026 federal budget now approved by the parliamentary budget committee, the overall volume rises to €108.2 billion. Of this, €82.7 billion is allocated to the regular defence budget and €25.5 billion to the Bundeswehr special fund. The multi-year financial plan also provisions for commitment appropriations of around €324 billion, thus creating long-term planning and funding certainty for major projects.

This drive is also evident in the procurement process, with numerous 25-million-euro projects having been approved since the 2025 budget was passed. In total, more than 150 projects are set to be debated in parliament by the end of 2026, many with substantial involvement from HENSOLDT. With these decisions, the German Federal Government is

translating security policy decisions into concrete procurements and creating reliable planning bases for industry and armed forces.

Support for Ukraine remains a top focus. Since Russia's invasion started, Germany has provided or firmly committed to providing military aid worth around €40 billion, making it one of Europe's main sources of backing. An additional €3 billion increase is planned for 2026, primarily for artillery, drones, armoured vehicles and Patriot systems – areas highly relevant to modern sensor, command and control, and defence systems. Through this, Germany is stepping up its long-term support for Ukraine while also helping to further consolidate the industrial base of the European security and defence industry.

The European Union too has greatly expanded its measures in the area of industrial policy. Since 2025, the SAFE (Security Action for Europe) programme has provided a funding framework of up to €150 billion to promote joint procurement and strengthen European value chains. In addition, the 'ReArm Europe / Readiness 2030' strategy aims to mobilise up to €800 billion in defence investment by 2030. Both initiatives promote interoperability, accelerate procurement processes and support Europe's technological independence.

Similar trends are ongoing worldwide. The US has increased its defence budget for 2025 by around 4% to USD 850 billion, with a clear focus on advanced technologies such as artificial intelligence, hypersonic technology and modern missile defence.

Poland continues to lead NATO in percentage terms with 4.7% of its GDP, while France is raising its defence budget to €64 billion by 2027 as part of its updated military planning (LPM 2024–2030) – a historic high.

In the Asia-Pacific region as well, the importance of security policy continues to gain momentum. Japan, South Korea and Australia are investing more heavily in quantum technologies, autonomous systems and space travel in order to make their industrial base more resilient and exportable.

Higher defence spending is having an increasing multiplier effect on industrial policy. Analyses by the Kiel Institute show that raising defence budgets in Europe to around 3.5% of GDP could raise economic growth by up to 1.5 percentage points in the short term – especially if procurement and development projects are anchored in European value chains. This clearly shows that security policy investments not only strengthen military capabilities, but also contribute to Europe's economic resilience and technological competitiveness.

At the same time, the nature of military capabilities is fundamentally changing. Software-defined systems, multi-domain operations, artificial intelligence and data fusion are becoming key factors in modern defence. National and European procurement strategies are aimed at rapidly integrating these capabilities into the armed forces – supported by measures such as the Bundeswehr Planning and Procurement Acceleration Act (BwPBBG), which is due to enter force at the start of 2026.

This creates extra opportunities for HENSOLDT: the BwPBBG makes national procurement decisions quicker and boosts the creation of value in the security industry in Germany and Europe. This drives up the demand for sensor and data solutions that are developed in Europe, readily available and highly integrated.

The political direction set in recent months and the procurement programmes already under way are creating a security policy environment with clear priorities, where modern capabilities must be available quickly and at scale. HENSOLDT is well positioned for this, as a platform-independent provider of highly integrated sensor and data technologies and as a technological pioneer in the field of software-defined defence. This opens up enormous opportunities for HENSOLDT to apply its expertise and actively shape Europe's technological sovereignty. First examples of this are the commission for the software suite and the Ceretron system for the next-generation reconnaissance vehicle (Luchs 2). In addition, ongoing modernisation programmes are creating further demand, which presents HENSOLDT with additional growth prospects in Germany and Europe.

3 Outlook

The outlook for fiscal year 2026 greatly depends on the conditions mentioned in the opportunities and risks report and, besides the macroeconomic developments described above, is based on the multi-year business plan of the Group. This forecasts a US dollar exchange rate of \$1.15/€1.00 and an average inflation rate of 2.0% in Germany and France as well as 3.0% in the UK for the planning period. Furthermore, a 4.0% increase in personnel costs is forecast for Germany, a 3.5% increase for France and 4.0% for the UK. In addition, the forecast volumes for revenue and order intake highly depend on the reliability and stability of the political conditions.

For fiscal year 2026, the management expects the Group's order intake to be between €4,125 million and €5,500 million. This relatively wide range reflects the uncertainty surrounding the timing of order intake for key projects. Particularly

given the continued high order backlog, for fiscal year 2026 the Management Board's operational planning for the Group anticipates significant revenue growth. A significant increase in adjusted EBITDA is also expected for fiscal year 2026. Overall, management expects a book-to-bill ratio of 1.5x to 2.0x.

All in all, the Management Board is confident that HENSOLDT can build on the successful fiscal year 2025 and expects further positive development for fiscal year 2026.

IV Opportunities and risks report

1 Risk report

1.1 Essential principles of the risk and control management

At HENSOLDT Group, measures and systems have been implemented with the aim of enabling stable business processes and early identification of risks. The risk and control management system, applicable to the entire HENSOLDT Group, consists of the Internal Control System (ICS) and the Enterprise Risk Management (ERM). It considers relevant legal requirements and is based on generally accepted principles set out in external frameworks and standards (in particular "COSO"⁸). This also includes sustainability matters.

The HENSOLDT risk and control management system represents one of the key systems and instruments used by the HENSOLDT Management Board for value- and success-based corporate management to achieve business objectives. The central objective is the early and systematic identification, assessment and management of significant risks. For this purpose, valid procedures and methods, applicable to all Group entities, are defined at HENSOLDT Group level.

The overall responsibility for the ICS and ERM lies with the Management Board. The latter is responsible for implementing, enforcing and maintaining an appropriate and effective ICS and ERM. Overall functional responsibility for the ICS and ERM lies with the Head of "Internal Audit, Risk Management & ICS".

Internal Control System (ICS)

HENSOLDT has established an Internal Control System. The HENSOLDT risk management team permanently monitors the HENSOLDT risk management system to support a continuous improvement process and communicates principles and changes thereto. HENSOLDT has an extensive, integrated methodology with a standardised procedure according to which risks are identified at an early stage and necessary controls defined and documented in accordance with consistent guidelines.

The scope of the ICS is determined centrally using a risk-based top-down approach on an annual basis. The aim is to ensure that the implemented ICS covers all relevant HENSOLDT entities, processes and IT systems and that changes in the business, process or IT system landscape are taken into account accordingly. This is documented in a risk control matrix. Due to changes in the organisation or acquisitions, new processes may become part of the ICS scope or existing processes may fall outside the scope.

The ICS is reviewed by Internal Audit as part of planned and special audits. These audits are carried out on a revolving basis according to a risk-oriented audit approach. The results are reported to the audited units, the Management Board and the Supervisory Board. The Management Board regularly verifies the appropriateness of the processes, identifies potential weaknesses and initiates appropriate actions to resolve them.

Enterprise Risk Management (ERM)

The Group policy "Enterprise Risk Management" issued by the Management Board sets out all standards relating to the methods and organisation employed to address opportunities and risks. This Group policy also covers the requirements for risk-bearing capacity, risk appetite and the specifications in the revised version of the audit standard IDW PS 340. The risk management system remained unchanged during the reporting period.

Early identification is the basis for the timely introduction of adequate counter-measures. The same applies to consistently seizing opportunities as they arise. To support transparent risk and opportunity management, HENSOLDT identifies, manages and reports risks and opportunities on a group- and segment-specific -basis while also differentiating between the two segments, Sensors and Optronics.

⁸ Committee of Sponsoring Organisations of the Treadway Commission

The operational and IT-based risk management process takes the risks of all entities into account and consists of the following steps:

- Making assumptions and setting goals
- Annually validating and confirming the risk-bearing capacity and risk appetite
- Determining roles and responsibilities
- Identifying risks and opportunities
- Assessing the impact of these identified risks and opportunities
- Responding in the form of implementing appropriate actions
- Consolidating and aggregating individual risks by considering the interactions at corporate level
- Monitoring the effectiveness of these response measures
- Regularly preparing risk management reports

For the identification and assessment of risks, the responsible persons in the various Group entities and departments must follow the predefined procedures of the ERM team.

For the assessment of risks and opportunities at Group level, HENSOLDT uses a predefined evaluation matrix, which includes the following levels of probability and impact.

Probability (%)	Min	Max	Risk Matrix (Section IV 1.3)
Very unlikely	0.0%	4.9%	Low
Unlikely	5.0%	24.9%	Low
Possible	25.0%	49.9%	Medium
Likely	50.0%	74.9%	High
Very likely	75.0%	100.0%	High
Impact at group Level (€ million)	Min	Max	Risk Matrix (Section IV 1.3)
Low	0	1.75	Low
Medium	1.75	3.5	Medium
High	3.5	8.75	High
Very high	8.75	17.5	High
Critical	17.5	350	Critical

As a scale for assessing the financial impact of risk, adjusted EBIT is used at Group level. This assessment also affects adjusted EBITDA (one of the most important financial performance indicators). Due to the Group's growth, the thresholds were increased in the current fiscal year. In addition to the risks with a financial impact on adjusted EBIT, other financial risks are considered, in particular liquidity, interest rate and tax risks. The basis for the subsequent impact assessment of (operational) risks on a project level is defined by the respective overall project volume or budget. Following the gross assessment of the risks and opportunities, the responsible risk owner defines respective countermeasures or actions to help realise opportunities. This results accordingly in the net assessment of the risks and opportunities. The HENSOLDT risk management system provides four response strategies for risks as well as for opportunities. Related to risk management, these strategies are risk avoidance, risk transfer to third parties such as insurer, risk mitigation and acceptance of the risk. Accordingly, the strategies for opportunity management are, first, the exploitation of the opportunity; second, the allocation of the opportunity to parties or entities that are more likely to realise the opportunity; third, the enhancement of the likelihood of the opportunity occurring and/or the realisable benefit of it; and fourth, the acceptance of the fact that the opportunity cannot be realised through proactive measures.

For the risk reporting, the heads of the central departments of HENSOLDT Group and the ERM Point of Contact in each entity are responsible for providing their risk portfolio to the ERM Officer at Group level in time for the quarterly risk

reporting. In addition, the risk information related to health and safety (“HSE”⁹) must also be submitted in time for the reporting.

The ERM officer at Group level prepares the quarterly ERM report for the Management Board and the Supervisory Board by consolidating and aggregating the existing individual risks accordingly, taking into account the interactions between the risks. Independent of the above valuation matrix, risk contingencies are calculated and secured accordingly for operating risks with a probability of occurrence of up to and including 50.0%. If the likelihood exceeds 50.0%, the expected costs relating to these risks are fully taken into account for accounting purposes. These risks are subject to monitoring and risk reporting.

1.2 Accounting-related internal controls and risk management

Risks related to group accounting include, amongst other things, the incomplete, invalid or inaccurate processing of financial data leading to misstatements in the financial reporting. To mitigate these risks, the management of HENSOLDT has implemented a number of measures and controls. These are part of the internal control system for financial reporting, which is monitored on a regular basis and subject to a continuous improvement process. Key elements of controls over financial reporting are diverse in order to effectively cover the variety of risks related to Group accounting.

To set binding guidelines and internal regulations in the context of preparing the monthly, quarterly and annual Group financials, respective accounting policies and manuals are in place, which have to be adhered to by any member of staff involved in accounting and closing processes. In addition, every legal entity uses a uniform Group chart of accounts.

For preparation of the financial reporting, HENSOLDT has issued detailed instructions on how and when to prepare and submit reporting packages in order to ensure consistent quality across all reporting entities. The preparer and reviewer of these reporting packages are different persons to ensure adequate segregation of duties.

Such segregation of duties is also standard practice within the accounting department and its various functions. Here, for example, master data maintenance is separated from transaction processing based on the 4-eyes principle. In addition, accounting personnel regularly perform a reconciliation of the most critical general ledger accounts with the respective sub-ledger accounts.

HENSOLDT management has installed procedures for a monthly review of the financials based on pre-defined key performance indicators in order to ensure a reconciliation of the actuals with planning data.

IT applications and tools that are used for preparing the Financial Statements as well as the underlying infrastructure are secured against unauthorised access, unauthorised system changes and loss of data.

In addition, the accounting-related internal control system in the respective companies is regularly audited by the internal audit department.

1.3 Risks

To support the identification and the management of risks and opportunities, the HENSOLDT Group has defined risk groups and risk categories. Risk groups are operational and functional risks, where the latter includes the two subgroups, strategy and compliance risks. This categorisation of risks and opportunities is applied in the same way for the two segments Sensors and Optronics. In the financial risks group, ensuring internal and external financing is monitored.

All risks that are not directly project-related are summarised under functional risks for the HENSOLDT Group. Risk categories within the functional risk group, such as strategic risks and compliance risks, are independent from HENSOLDT Group’s operational activities.

Operational risks result from operational activities, in particular in the context of HENSOLDT Group’s project business. HENSOLDT Group has defined further project-specific sub-categories of operational risks. At HENSOLDT, sustainability risks are managed based on their impact on the planet and society in the category “Sustainability to external”. Furthermore, risks with an impact on HENSOLDT are analysed in the risk categories strategy, compliance/corruption, health/safety/environment, construction/technology, export control, HR, legal, procurement and production/product risk in a broader manner under the concept of sustainability. In this way, potentially negative, primarily inward-looking changes also related to HENSOLDT’s sustainability goals are recorded and countermeasures are undertaken. Further details,

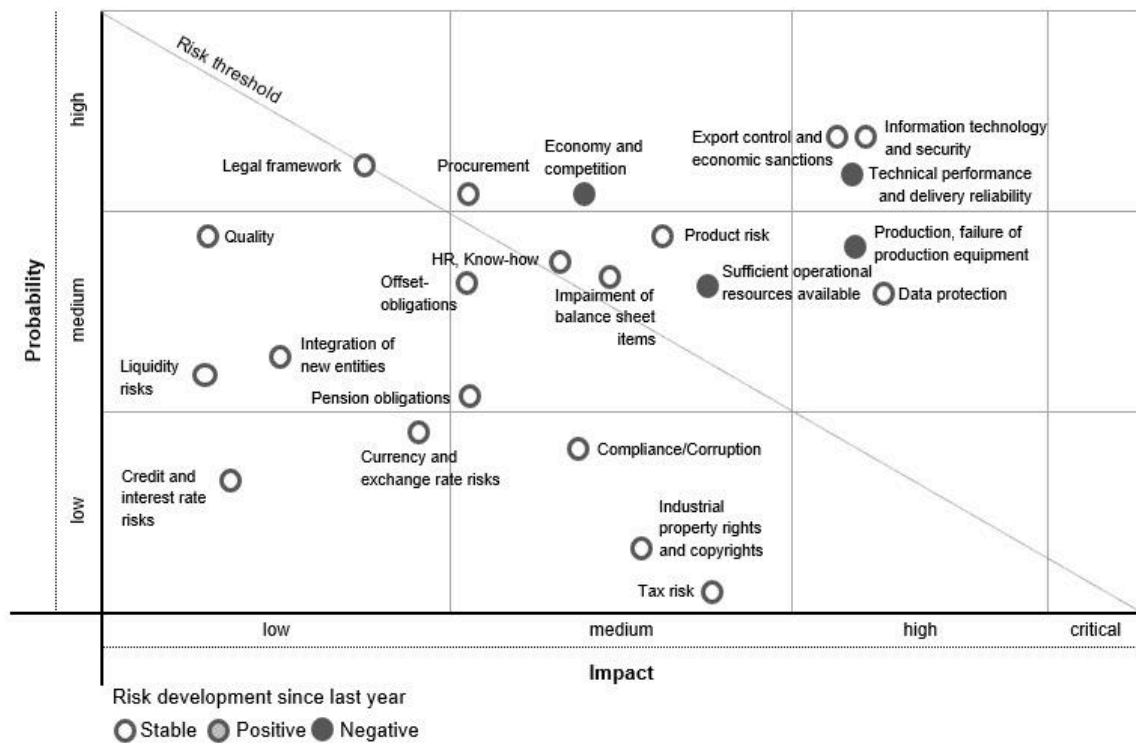
⁹ Health, Safety, Environment

initiatives and programmes as part of sustainability management are explained in the HENSOLDT Group Sustainability Report (see section "[V Sustainability Report](#)").

Functional risks and opportunities	Operational risks and opportunities	Financial risks and opportunities
Strategic risks and opportunities	Construction/Technology	Currency and exchange rate risks
Strategy	HR	Credit and interest rate risks
M&A	Information management / Security	Liquidity risks
Controlling	Legal	Risks related to pension plans
Compliance risks and opportunities	Quality / Product quality	Asset impairment risks
Compliance/Corruption	Procurement	Tax risks
Data protection	IP rights	Risks from current supply chain situation
Export control	Production/Product risk	
Health, safety, environment	Sale / Offset obligations	
Sustainability to external		

As risks and opportunities can be both functional and operational, and given the interactions between individual risks and opportunities, HENSOLDT is not always in a position to assign them to only one group of risks. Risks or opportunities that have been identified as functional can also be relevant for specific projects and therefore need to be assessed and managed with respect to these projects, for example by implementing measures at operational level. Conversely, operational risks might require an assessment and management at segment, entity or even Group level. Therefore, and to avoid a duplication of risks, the management of both functional and operational risks follows the same procedures of the HENSOLDT Group risk management system as described above.

The result of the aggregation of all current functional and operational risks in the individual companies is presented at Group level, inter alia, in the following risk matrix:



Functional risks

Functional risks cover risks related to strategy and planning as well as compliance risks. The Group strategy and planning covers any risks that have an impact on the strategic goals of HENSOLDT Group, such as reputation and brand risks or risks resulting from market- and industry-related changes and developments.

Risks related to strategy

As in any industry, the business activities of HENSOLDT entail risks that arise from global trade and cannot be influenced sustainably. The economic environment of HENSOLDT is characterised by legal, regulatory and economic factors of influence which are complex and can have a direct impact on how revenue and earnings develop for the entire HENSOLDT Group. The international geopolitical situation as well as countries' national policies affect the entire supply chain and distribution structure of HENSOLDT, which can inevitably lead to uncertainties and obstacles for the business activities of HENSOLDT in the form of fluctuations in prices, sales volumes and margins.

Geopolitical conditions as well as legal and regulatory factors influence the impact from risk export controls and economic sanctions. The geopolitical situation, particularly relevant in 2025, also has a major impact on export control requirements and economic sanctions. This may result in financial impacts if, for example, an export license is not granted contrary to expectations or potential customers cannot be supplied due to sanctions.

In order to anticipate risks in the best possible way and to take appropriate actions, a strategy workshop is held annually with the Group Executive Committee. The aim of this is to identify growth options and recognise relevant influencing factors as well as resulting risks beforehand through a comprehensive PESTEL analysis¹⁰ and to counteract them with adequate measures. Given the increased political complexity, the annual strategy workshop with the Management Board of HENSOLDT AG was complemented in the reporting year by conducting several analyses of risks relating to the geopolitical situation. This was mainly done in response to the rapidly changing global political situation, in particular due to the war in Ukraine and the situation in the Middle East. To ensure continuous monitoring of the possible impact from the Middle East hostilities, which recently escalated into an armed conflict, the special task force set up in the previous year was continued. Currently, there is no evidence to suggest that the latest events in the Middle East create a situation of substantially higher risk for HENSOLDT. Due to the uncertainty surrounding further developments, the situation is being continuously monitored both at Group level and within the individual companies.

Innovative strength and a technical lead in the industry are fundamental to opening up new sales opportunities and customers or markets. For this reason, HENSOLDT Group considers research and development as crucial to its business and sales opportunities, and thus makes considerable resources available for this. The consequent expansion of the service business in the context of operational project execution enables the realisation of additional revenue potential.

For HENSOLDT, progress plays a crucial role, not only to fulfil its role as a leading technology provider for military and civilian applications, but also to adequately address competitive risks within the sector. In Germany, its key market, HENSOLDT competes for the award of contracts with a number of international competitors purely on market terms, which is not always the case for procurements on certain competitors' domestic markets and therefore may result in competitive restrictions for HENSOLDT. Besides small and medium-sized competitors that typically specialise in certain market niches, HENSOLDT also competes with large defence companies that may have greater financial resources, and may therefore be better positioned to develop and market new products and take advantage of economies of scale. In addition, national support measures and state support can give rivals a competitive edge.

The HENSOLDT Group addresses these competitive risks in the market through partnerships and M&A activities, for example, which are always implemented in compliance with the applicable legal framework. For this purpose, management scouts the market across different industries for leading technology providers and assesses the extent to which companies offer strategic added value. M&A transactions may involve additional risks. These are appropriately managed via a professional and standardised process within the HENSOLDT Group.

Risks related to compliance

As an international group, the HENSOLDT Group is subject to a large number of legal requirements in all countries in which it operates or sells its products. Breaches of these requirements can have a number of severe consequences for HENSOLDT and its staff, such as being excluded from orders, incurring financial penalties, skimming of profits, damage to reputation, compensation for damages to third parties as well as criminal prosecution. This could affect HENSOLDT's ability to deliver products and services, resulting in unforeseen costs that could have a negative impact on the net

¹⁰ PESTEL: Analysis of Political, Economic, Social, Technical, Environmental and Legal factors of influence

assets, financial position and results of operations. The assurance of compliance with relevant legal requirements as well as internal rules is therefore a key principle underpinning HENSOLDT's business conduct.

HENSOLDT Group's business activities, which often involve governments and state-owned enterprises, can entail compliance risks, particularly relating to corruption. Owing to the international nature of our business, we also focus on managing risks concerning export control and embargo regulations, as well as avoiding human rights violations. Risks relating to data protection violations can also arise. To comply with requirements and address the risks referred to above, HENSOLDT has set up a global compliance and risk management system and a global compliance organisational structure, albeit without guaranteeing that these systems can avoid all risks in every jurisdiction. As part of the Governance Framework, HENSOLDT issues internal rules and guidelines and conducts regularly training on these. In addition, the relevant internal processes are continuously monitored.

HENSOLDT has also issued a Code of Conduct which implements the "Standards of Business Conduct". This Code of Conduct addresses the most important ethical and compliance issues. All employees receive regular training on this. For its business partners, HENSOLDT set up a global business partner management system. This contains a prudent, risk-based selection and monitoring process.

Furthermore, HENSOLDT has introduced a global whistleblower system that enables employees and external stakeholders to report any violations, also anonymously. Suspected cases are investigated, and if misconduct is proven, appropriate personnel measures are taken. After each violation, management is reviewed for improvement, and necessary measures are implemented.

Data protection risks

HENSOLDT has a data protection management system in place across the Group, which is particularly intended to ensure a uniform level of data protection taking into account the General Data Protection Regulation (GDPR) introduced by the EU. The aim is to enable a sustainable data-based business model as well as to ensure responsible treatment of data in the interest of all stakeholders. A variety of measures are systematically developed and implemented in order to achieve the objectives mentioned above. The focus is always on continuous review and improvement of the data protection management system. Specific data protection risks based on the GDPR may be punishable with a fine of up to 4% of HENSOLDT Group's global annual revenue per incident, depending on the severity and culpability of an individual incident. To avoid such data protection incidents, HENSOLDT makes its employees aware of the importance of responsible data handling and of the new challenges relating to data-based business models. The HENSOLDT Legal department continuously updates the data protection management system to comply with regulatory requirements and integrity standards. HENSOLDT's overall aim in doing this is to not only provide its employees and customers as well as other stakeholders with new services, but also to ensure that their data is processed securely. HENSOLDT provides an operational framework for the treatment of data to all employees of the Group. This includes defined fundamental principles for data processing, such as transparency, autonomy and data security. Both market-specific and regional differences are considered in the application of those fundamental principles. The goal of implementing suitable processes and systems is to enable an efficient and effective way of secure and high-performance data processing. Ongoing monitoring of the effectiveness is part of this system as well. Data protection officers are appointed in accordance with the legal requirements. All employees are trained in data protection.

Operational risks

Each project has a variety of inherent operational risks. In line with the HENSOLDT risk management procedures, project managers have to complete a risk assessment for each project prior to entering into any legally binding agreement with a partner or customer.

HENSOLDT Group has to manage complex and long-running projects with demanding technical requirements and high volumes. A number of risks must be taken into account due to various uncertainties regarding costing, unexpected technical problems or underestimated complexity that could affect the ability to meet agreed delivery dates. Additionally, failure to meet compensation obligations may result in penalties and negatively impact project margins. By using experienced employees, technical expertise and professional project, quality and contract management, these risks can be minimised, but not completely avoided. All categories of risk, such as those relating to human resources or economic risks, are recorded, assessed, hedged and continuously monitored in accordance with HENSOLDT's existing risk management. This approach also applies to HENSOLDT's key projects. The status of key projects is regularly reported to the Supervisory Board. If necessary, external audits with different audit priorities are also commissioned.

In its role as general contractor, HENSOLDT integrates various products and assumes overall responsibility for the delivery of a complete system toward its customer. This includes, among other things, the overall coordination of technical, economic and time aspects as well as coordination of in-house and third-party contributions with several

suppliers, partners and the customer. The resulting risks are managed in particular through contract management and extensive coordination of interfaces with suppliers, partners and customers.

As much of the business is project-related, this requires the Group to continuously adjust capacities in terms of research and development and production. For this purpose, HENSOLDT adopts certain measures such as flexible working hours, temporary workers and alignment of the production network to production volume.

For a company like HENSOLDT Group that depends on the sales of innovative and complex technological products to a relatively small number of customers, the success of the Group depends on the ability to attract and retain highly qualified engineering personnel for both segments, as well as skilled sales people and capable management. In such a competitive market, HENSOLDT needs to outbid its competitors by offering a more attractive work environment.

The HENSOLDT Group has initiated a number of measures to make it an attractive employer. For example, it offers employees a mobile working environment based on a Group agreement for German sites, flexible working hours without core working hours, childcare during school holidays at certain locations and, again depending on the location, kindergarten places or child care subsidies, special regulations on sabbaticals and family and care leave, a company-subsidised job travel ticket, a subsidised bicycle leasing programme and various other incentive programmes. In fiscal year 2025, HENSOLDT made the modernisation of its talent development a strategic priority. The talent identification process has already been fully digitalised, and talent identification and succession planning are also set to be standardised globally, digitalised and integrated into the HR cycle in 2026. These measures will assist in establishing a robust talent pipeline and ensuring that key positions are filled systematically, thereby securing sustainable growth.

Furthermore, HENSOLDT's leadership guidelines were integrated into the annual health survey in fiscal year 2025 in order to systematically strengthen leadership skills in a data-driven manner. A strong corporate culture is a key pillar for attracting and retaining employees. As part of the "Culture Evolution" initiative, top-down leadership development and bottom-up initiatives are combined in order to integrate our core values – personal responsibility, collaboration, excellence and innovation – into day-to-day work. This allows us to create a working environment that makes everyone feel valued, respected, and empowered to actively contribute to our shared success.

With regard to operational quality, the HENSOLDT Group is required to perform to the highest standards. Due to the complex and advanced nature of its products, there are technological challenges that arise in conjunction with the development and manufacturing of new products. In order to maintain high quality standards for its products, HENSOLDT Group implemented a number of quality assurance measures such as an improved customer review and feedback process, designated quality contact staff for Critical Items (CI), joint problem solving with suppliers as well as clear requirements on the provision of conformity certificates. Other measures in this area are dynamic sampling as part of incoming goods inspection or an improved first sample inspection. Furthermore, HENSOLDT is certified to the EN 9100 standard, which sets the highest quality requirements for companies in the aerospace and defence sectors worldwide. In order to meet the high demands and constant adjustments to the environment, the quality managers for programmes, projects, production/maintenance as well as for purchasing and logistics are qualified and trained through various and continuous training and further education measures.

Risks related to production such as failure of production facilities or equipment are addressed through regular maintenance and investment. This ensures consistent product quality. A continuous improvement process has been established in production to ensure its ongoing optimisation. This includes employees and managers trained in lean methods, as well as improvement workshops held along the value chain. In these workshops, optimisations are systematically identified, actions and targets for increasing efficiency in production are derived and then implemented, with the aim of improving the costs and time involved in production. Fluctuations in the order situation that can impact production capacities are assessed through structured preliminary planning and appropriate measures are initiated as needed.

The predicted sharp rise in order volume and the associated timeline requirements pose a potential risk to HENSOLDT's ability to deliver. To meet these challenges, the company must transition to industrial manufacturing, introduce even more efficient production processes, and optimise supplier management. The necessary expansion of production capacity may lead to temporary disruptions in manufacturing processes. In order for HENSOLDT to fulfil the increased order intake in the long term and sustainably, and to mitigate potential risks, HENSOLDT has launched an initiative to expand production capacity and further industrialise the Group's key products. The project is being supervised by both internal and external experts. Integrated and forward-looking planning is designed to identify and minimize potential risks at an early stage. These measures are of central importance for HENSOLDT so that it can rapidly expand its production capacities, exploit new market opportunities, and strengthen the resilience of its supply chain given increasing industrial and geopolitical demands.

In order to be able to successfully manage the planned growth of HENSOLDT Group, the necessary expansion of production capacities and to ensure maximum flexibility for current and future production models in manufacturing, as well as facilitating efficient and effective workflow in all areas, a new storage infrastructure was created in fiscal year 2024 through the construction of a new logistics centre and the implementation of a new IT merchandise management system. Furthermore, during the course of the 2025 financial year, the new site in Oberkochen was partly occupied and

partly put into operation; by 31 December, 2025, these measures were already well advanced. The new logistics centre, as well as the move to and commissioning of the Oberkochen site, entail potential risks, particularly with regard to delays in the supply of materials for production and the potential resulting delays in the manufacturing process. To proactively address these risks, working groups with internal and external experts have been set up. These teams develop and implement targeted measures to counteract any delays in delivery at an early stage and minimize their impact as fully as possible.

In both segments, the procurement of raw materials, components and other modules is exposed to risks such as non-deliveries, delays, supply bottlenecks, quality issues and price increases. The supply chain typically involves a variety of different materials at low volumes. In addition, these materials are also used in other industries, which is why HENSOLDT Group only purchases small fractions of its suppliers' total output. Furthermore, HENSOLDT Group also procures highly customised products, which are only available from a small number of suppliers or even only from one single supplier.

To minimise these procurement risks, various measures have been put in place: suppliers are involved in projects at an early stage, preferred suppliers are chosen, with suppliers also selected and monitored on the basis of facts and competition-oriented criteria. There is also a management system in place for supplier relationships that enables uniform selection and use for all HENSOLDT companies so that supplier services can be bundled and improved.

Compliance with the German Act on Corporate Due Diligence Obligations in Supply Chains (German Supply Chain Act, LkSG) is a material obligation for HENSOLDT (further details on this are in the HENSOLDT Group Sustainability Report (see section "[V Sustainability Report](#)"). A key part of complying with the law is engaging our suppliers via a web-based IT platform, which enables continuous retrieval and identification of the relevant data from suppliers in order to meet legal requirements and manage and avoid potential risks.

In fiscal year 2025, strategies for minimising procurement risk were further strengthened and specifically optimised. Particular focus was placed on the continuous monitoring and analysis of the global shortage of certain materials caused by pandemic and crisis-related developments. Additionally, special attention was given to the impact of export restrictions imposed by China on rare earths and germanium in an effort to further secure supply.

A process specifically designed to effectively handle brokerware, including the necessary technical assessment, was defined and implemented. The potential impact on HENSOLDT is regularly analysed in purchasing and in the operating divisions so that appropriate countermeasures can be taken. Currently, the risk for the Sensors segment is showing a moderate decline, while the risk for the Optronics segment is lower than at the end of fiscal year 2024.

As a company in the security and defence industry, the HENSOLDT Group is particularly at risk from cyber attacks on its information technology and information security systems. The Group is especially vulnerable to the misappropriation or compromise of its intellectual property or other confidential (project-related) information, including that of its customers. In the context of the much higher frequency of attempted attacks on IT environments that can be observed worldwide, particularly in light of the intensifying geopolitical situation between Russia, China, the United States and Europe, the likeliness of successful cyber-attacks is generally estimated to be higher than in the past.

In order to minimise the resulting potential risks, the Chief Information Security Officer (CISO) and his team have been consistently developing the information security management system (ISMS). The company standards are based on best practices and are aligned with globally recognised standards such as those of the International Organisation for Standardization (ISO) and the National Institute of Standards and Technology (NIST). Accompanied by the Management Board, processes and systems were further developed and introduced to ensure secure and efficient information processing both now and in the future.

Training employees is an important part of the information security process. For this reason, HENSOLDT offers regular training on information security and data protection. The training covers a range of topics including awareness related to social engineering, cybercrime and data protection. In addition, regular phishing tests are carried out to ensure that employees are particularly aware of the risk of such attacks and can reliably detect malicious attacks.

The risk of cyberattacks globally remains at a high level. The focus of activities to continuously strengthen cybersecurity in 2025 was to further improve HENSOLDT's protection at its point of interface with the internet. This potential attack route is continuously monitored, identified risks are assessed and necessary measures are taken. The process for permanently monitoring attack vectors was optimised, further increasing resilience at the perimeter.

The aim of all initiatives is to ensure information security at the high level of international standards and to prevent or ward off any attacks.

In addition to these wide-ranging activities, HENSOLDT is also undertaking further measures to optimise its IT infrastructure. In this context, the implementation of the SAP S/4HANA project was started in 2023. To minimise and reduce any risks within this extensive IT project, HENSOLDT is also taking the necessary steps to comply with the requirements of Enterprise Risk Management.

Financial risks

As part of ensuring intra-Group and external financing, HENSOLDT Group is exposed to a range of financial risks. Above all, these include currency and exchange rate risks, interest rate risks, liquidity risks, risks related to pension commitments and asset impairment risks.

Financial risks can have negative effects on the profitability, financial position and cash flows of HENSOLDT Group. The probability of occurrence and the possible impact of these risks and opportunities are considered, as shown in the matrix above.

The Treasury department is centrally responsible for HENSOLDT's financing and liquidity management and sets out guidelines in this regard. These include primarily ensuring external Group financing at all times, coordinating financing needs within Group entities and monitoring compliance with corresponding internal and external requirements, such as credit agreements.

Currency and exchange rate risks

As a global organisation, the HENSOLDT Group is exposed to risks and opportunities related to fluctuations in currency and exchange rates. While the reporting currency is the euro, some of the consolidated subsidiaries report in foreign currencies. The results of operations are therefore affected by exchange rate fluctuations; in particular the rates of the US dollar, South African rand, British pound and the Australian dollar to the euro.

The income and cost risks resulting from currency fluctuations are limited by purchases and sales in corresponding foreign currencies as well as foreign currency forwards and foreign currency swaps. Exchange rate risks which arise from various customer or supplier contracts are concluded centrally as a matter of principle. Corresponding foreign currency forward and foreign currency swap contracts are concluded with banks for the respective Group entities.

Credit and interest rate risks

To secure the cash requirements of the Group's business operations, the HENSOLDT Group uses interest-rate-sensitive financial instruments. The interest rate risks associated with these instruments have been mitigated through interest rate swaps. The aim of interest rate management is to limit the impact of interest rates on the Group's financial performance as well as on its assets and liabilities. For this purpose, interest rate swaps were concluded in fiscal year 2022 amounting to €620 million (nominal value) for the period from the first quarter of 2023 to the second quarter of 2027.

The new long-term syndicated loan completed in April 2025, which comprises a term loan worth €850 million and a new revolving credit facility of €400 million, is subject to compliance with a financial covenant (see [Note 39.1](#)). In the event of a breach, the financing partners are entitled to terminate this syndicated loan. There are no indications that the covenant cannot be fully complied with in the foreseeable future.

In July 2025, promissory note loans were taken out totalling €300 million. Of this amount, €65 million was obtained with a three-year term and fixed and variable interest rates, a further €150 million with a five-year term and fixed and variable interest rates, and €85 million with a seven-year term and fixed interest rates. No financial covenant was agreed for this.

Liquidity risks

The liquidity of HENSOLDT is dependent on its credit rating. Liquidity risk is the risk that a company may be unable to meet its short-term financial obligations. This usually occurs due to the inability to convert a security or asset into cash without loss of capital and/or income in the process. Risks and opportunities related to liquidity arise in connection with potential downgrades or upgrades of credit ratings by the rating agencies.

With regard to securing the Group's liquidity, the new long-term syndicated loan completed in April 2025 gives HENSOLDT the option of using a revolving credit facility of €400 million. As of 31 December 2025, the revolving credit facility had not been utilised. In order to plan the required utilisation of this facility, there is a comprehensive process in place for planning future liquidity requirements and thus to adequately cover the associated risk.

Risks related to pension plans

The HENSOLDT Group has certain obligations with respect to defined benefit plans for employees mainly in Germany. Under these plans, HENSOLDT is required to ensure specific retirement, invalidity, and survivor's benefits levels for employees participating in the plans. The plans are partly financed through contractual trust arrangements (CTAs). The

calculation of expected liabilities arising from defined benefit plans is based on actuarial calculations and demographic and financial assumptions. The HENSOLDT Group is obliged to fund the CTAs only with respect to the employee-funded part of the pension plan. The HENSOLDT Group expects to make significant endowment contributions in the future due to the expected increase in personnel. The funding status of existing pension plans could be affected both by a change in actuarial assumptions, including the discount rate, and by changes in the financial markets or a change in the composition of invested assets. Opportunities and risks arise depending on changes in these parameters.

Asset impairment risks

The carrying amounts of individual assets are exposed to risks related to changing market and business conditions and thus also to changes in fair values. Necessary impairments could have a significant negative non-cash impact on earnings and affect the balance sheet ratios. The intangible assets of the Group mainly consist of technology, customer relationships, order backlog, the brand and capitalised development costs. Under the International Financial Reporting Standards (IFRS) as applicable in the EU, HENSOLDT is required to annually test the recorded goodwill and intangible assets with indefinite useful lives, such as its brand, for impairment and to assess the carrying values of other intangible assets when impairment indicators exist. All relevant risks were assessed during the preparation of the Consolidated Financial Statements and have been taken into account accordingly.

Tax risks

Due to the international nature of its business, HENSOLDT is subject to taxation in several countries and is therefore exposed to tax risks. As a result, HENSOLDT is subject to numerous different legal requirements and tax audits. Possible changes in legislation as well as jurisdiction and differing legal interpretations by the tax authorities – especially in the area of cross-border transactions – may be subject to considerable uncertainty. In the course of tax audits, different assessments of facts may lead to additional claims by the responsible tax authorities. In addition, changes in tax legislation or interpretation as well as new jurisdiction may result in additional taxes for HENSOLDT and adversely affect the effective tax rate and the amount of deferred tax assets or liabilities. Furthermore, tax risks may arise in connection with the expiration of tax loss carryforwards or from changes in the legal and tax structure of HENSOLDT. In particular, certain group companies of HENSOLDT are part of tax groups or tax consolidation systems. It can therefore not be ruled out that the companies concerned will be held liable for unpaid taxes of the members of such tax consolidation systems pursuant to law or contract. Additional taxes, interest and penalties may arise for HENSOLDT from restructuring, other corporate actions or the non-recognition of tax consolidation options (e.g. by tax authorities or a tax court).

Risks from current supply chain situation

HENSOLDT continually monitors the impact of the conflicts in Ukraine and the Middle East. The continuing consequences thereof include delivery bottlenecks for materials, increasing prices of energy products and also of other goods and services and, not least, inflation. These factors influence the risk situation of HENSOLDT in its functional and operational areas, affect the supply chains and can lead to higher manufacturing costs. The procurement risk and the possible consequences of the changing circumstances, high energy prices and material shortages on the world market remain broadly the same, as they did in fiscal year 2024.

From the beginning of the changed situation, HENSOLDT established working groups to consistently assess the impact on manufacturing costs, supply chains and contracts with customers at HENSOLDT and reduce or prevent possible effects as early as possible by adopting concrete and detailed measures. The consequences of inflation and the potential impacts of the supply chain situation have decreased slightly for companies in the Sensors segment since the end of 2023. The Optronics segment is no longer experiencing any potential inflation-related effects or after-effects owing to the stabilising of inflation rates globally and through implemented measures. Intensive monitoring was carried out to counteract the effects of the supply chain situation in the Optronics segment. This enabled appropriate measures to be taken at an early stage. The risk in the Optronics segment, which has been declining since 2023, stabilised at a low level by the end of fiscal year 2024.

1.4 Overall risk assessment

HENSOLDT is not aware of any individual or aggregated risk that could jeopardise the continuity of its business operations. Both the potential risks that may arise during the operation of the new logistics centre, as well as the possible effects caused by and during the relocation of the site in Oberkochen, are being addressed by working groups of internal and external experts with targeted and specific measures in order to counteract potential delivery delays as

early and as far as possible. This assessment does not take into account possible changes or effects that could arise from the severe escalation of the geopolitical situation in supply chains in fiscal 2025. Specially set up working groups and expert panels are continuously analysing and monitoring in detail possible further impacts arising from the risks described. This also includes the currently worsening geopolitical situation and possible consequences for HENSOLDT. The resulting heightened probability of a successful cyber attack, for example, is being proactively counteracted through extensive initiatives to prevent or avert any attacks on HENSOLDT. The possible effects of the constantly changing geopolitical situation on the security policy environment of HENSOLDT, on the overall economic situation and on the companies of the HENSOLDT Group cannot yet be estimated and are being monitored continuously by HENSOLDT. A task force has been set up to ensure continuous monitoring of possible consequences of political tensions.

These risks are offset by opportunities arising from increasing levels of military investment worldwide and HENSOLDT's contribution to security and sustainability. Therefore, the Management Board currently assesses the overall opportunity and risk situation of HENSOLDT as essentially at the same level as in the previous year.

2 Opportunity report

2.1 Opportunities

Despite increasing international competition, HENSOLDT's strong market position and product portfolio make it very well positioned to take advantage of existing and new business opportunities in all domestic and global markets. HENSOLDT faces competition in core markets in Europe, but also benefits from increased business potential in other markets which is in line with the company's globalisation strategy.

Being a national key technology company whose products are represented in all branches of the armed forces and as an essential actor in the European consolidation of the defence electronics industry, HENSOLDT is very well positioned for the years ahead.

Russia's war against Ukraine has highlighted the importance of digitalised weapon systems, data-driven information superiority and electronic warfare, besides the conventional elements. In line with growing defence budgets worldwide, the HENSOLDT portfolio meets the current and future requirements of modern armed forces.

The ongoing shift from hardware-based to software-defined systems is a key challenge facing the security and defence industry, alongside the need for rapid expansion of production capacities for even higher volumes of conventional systems and platforms. By merging data from sensor networks and analysing it using artificial intelligence, HENSOLDT's solutions create battlefield information superiority, enabling faster and better decision-making and precise action. This digitalisation is also shaping military planning processes and capability requirements in HENSOLDT's markets, with the aim of achieving software-defined defence and enabling multi-domain operations.

For this purpose, HENSOLDT is positioning itself accordingly and fostering the transition from a product-oriented portfolio to a solution-oriented approach for its customers. HENSOLDT solutions and products are deployed on almost all airborne, floating and mobile land-based platforms of the German armed forces and benefit from large-scale procurement of platforms and air defence systems in Germany, Europe and worldwide. The integration of the ESG Group into the Multi-Domain Solutions Division also opens up a greater number of business opportunities for HENSOLDT's portfolio of products and expertise in terms of products, services and complete solutions. These opportunities stem from an increasingly improving market environment in all military dimensions and numerous future technologies, particularly against the background of the growing European market.

Functional opportunities

As a leading technology provider of defence and security electronics, HENSOLDT offers a broad portfolio of highly integrated sensor and data solutions for air-, land-, and sea-based applications. The company operates in an environment where security and industrial policy are key priorities, with a strong emphasis on technological sovereignty, resilient supply chains, and rapid scalability of procurement. The increasing digitalisation of military capabilities, the national focus on key defence-related technologies, and the structurally rising defence investments in NATO and EU countries open up significant growth prospects for HENSOLDT. The company's strategy aims to anticipate technological developments at an early stage and expand its leading role in the European security ecosystem in the long term.

The publication of the new US National Security Strategy in December 2025 highlights a marked strategic divergence between Washington and Europe: the US is openly pursuing an 'America First' policy and is prepared to withdraw from

its traditional role as guarantor of European security – effectively signalling its disengagement from the European security area. This creates a pressing need for Europe to build up its own sovereign defence and security capabilities – ranging from digital infrastructure to state-of-the-art military equipment. In this context, the European security and defence industry is growing increasingly important.

This presents HENSOLDT with a significant strategic positioning opportunity: as a key national technology and expertise provider in sensor technology, radar, air defence and reconnaissance, HENSOLDT can play a decisive role in Europe's strategic sovereignty. With solutions for air defence, drone defence, critical infrastructure protection, electronic warfare, space sensor technology and strategic reconnaissance in particular, HENSOLDT is well positioned to become a core component of an independent European defence and security architecture. At the same time, by being an integral part of European procurement programmes and industrial policies, the company can benefit from the realignment and thus expand its role as a key provider of sovereign, interoperable and scalable defence capabilities.

Opportunities arise for HENSOLDT in particular from the structural increase in defence spending in Europe and the politically driven goal of strengthening national and European value creation in key security-related areas. The political will of NATO and the German government to provide capabilities more quickly and develop critical systems in Europe means that priority is being given to technologies in which HENSOLDT has proven expertise, including sensor fusion, radar, electronic warfare and avionics.

The ongoing trend towards building up armaments and technological modernisation is clearly reflected in Europe's defence budgets. This development documents a clear shift away from purely operational costs towards investment in capabilities, equipment and technological modernisation.

Parallel to this, many European countries are shifting their defence budgets increasingly towards procurement, digitalisation and research & development, thereby systematically strengthening industrial and technological capabilities. The sharp rise in investment demonstrates that modernisation and the expansion of defence-related capabilities are now a priority for many countries.

With the growing digitalisation of the battlefield, the software-defined defence (SDD) approach is rapidly gaining in importance: capabilities are now increasingly provided via modular, software-based systems rather than rigid hardware – which, in combination with networked sensor, data and integration solutions, enables new flexibility, interoperability and rapid adaptability.

For companies that excel in such system architectures, a clearly defined market environment is emerging: in future, solutions that can be updated on the software side, process data from different domains in real time and be integrated into platforms in an agile manner will be crucial. HENSOLDT is strategically well positioned for this due to its expertise in cross-domain sensor technology, its integration capabilities and its experience with modular system architectures.

The introduction of MDOcore allows HENSOLDT to unlock these exact potentials for successful multi-domain operations. MDOcore marks HENSOLDT's next major technological leap: from sensor provider to supplier of real-time, data-centric defence architectures. Combining the company's established expertise with data-driven analysis capabilities creates a new level of digital battlefield intelligence. The decoupling of hardware, software, data and algorithms creates a modular architecture that is interoperable, scalable and future-proof, contributing to a sovereign European defence infrastructure while strengthening long-term system capability.

Further impetus is provided by European support for Ukraine and the associated re-procurement. Operationally proven systems such as the IRIS-T SLM air defence system with the HENSOLDT TRML-4D radar now act as benchmarks for international follow-up orders and modernisation programmes. The increased demand for reconnaissance, air defence, electronic warfare and integrated command and control information addresses the very technologies that HENSOLDT has already proven to be operationally ready. At the same time, the replenishment of stocks and the acceleration of national procurement procedures are leading to additional demand for series-ready and integration-ready solutions. These developments align with HENSOLDT's areas of focus and strengthen the company's relative market position.

Looking ahead, additional growth opportunities are emerging from major European projects that will be implemented in the coming years and are specifically geared towards sensor technology and interconnected impact chains. Initiatives such as the European Sky Shield Initiative (ESSI) in the field of air defence, modernisations in the Eurofighter system environment, and programmes for reconnaissance and unmanned systems strengthen those specific technological domains in which HENSOLDT already provides components, subsystems and integration services. These multi-year projects create planning certainty and ensure steady demand.

With its portfolio of technologies and solutions, HENSOLDT is optimally prepared for these market requirements. The combination of key national technologies, a growing focus on software, cross-domain system integration and strategic industry partnerships enables the company to tap into additional market potential in the European defence ecosystem and actively influence technological standards.

Operational opportunities

The Group benefits from long-term experience in the highly regulated and complex market of defence and non-defence applications. In addition to its civil and military sensor solutions, HENSOLDT also develops new products for data management and automated data evaluation by crosslinking existing expertise with software solutions. HENSOLDT aims to become Europe's leading platform-independent provider of defence and security sensor solutions with global reach. Networking, digitalisation and the diversifying of its products and solutions are seen as key to increasing opportunities in this context.

HENSOLDT Group therefore started expanding its product offering at an early stage, for example, through surveillance and protection solutions already used at a number of high-profile events. This has created the basis for opening up the route into new markets, which may both facilitate future growth. e.g. in terms of protecting critical national infrastructure, as well as a diversification of risks.

Within its defence applications, the Group is currently expanding its customer service, to cover for example technical assistance, commissioning and payment by instalments. These services could lead to an increase in profitability while at the same time reducing risks concerning future cash flow fluctuations.

HENSOLDT Group has been successfully developing customer-specific solutions. These individual and highly technical products may initially have been costly (e.g. due to expensive special production facilities) but now could make market entry for new competitors difficult.

HENSOLDT Group collaborates with many renowned universities and research institutions, especially in Germany, on nearly all early-stage technological developments in the radar and optronics areas. This close collaboration between the universities and research institutions allows HENSOLDT Group to lay the foundation for maximising its opportunities as an innovative organisation. Both company divisions benefit from this. Another essential part of the strategy is to team up with other market participants in order to exploit operational opportunities. An example of this is the collaboration with the start-up Quantum Systems GmbH and the successful collaboration in the FCMS (Future Combat Mission System) consortium for the FCAS (Future Combat Air System) programme.

The new storage infrastructure at the new logistics centre, with its state-of-the-art technology and IT connectivity, will allow the company to respond faster to the growing needs of its customers and ensure scalable delivery capabilities. This will ensure HENSOLDT's future growth and the accompanying scaling up of production.

With the relocation to a new site in Oberkochen, which is leased by HENSOLDT, creates further opportunities for HENSOLDT in the Optronics segment. The new site is designed to facilitate the company's targeted growth and provide maximum flexibility for current and future production models in manufacturing as well as efficient and effective work in all areas. With the new site, which has been designed with sustainability in mind, HENSOLDT Optronics GmbH presents itself as an attractive employer for skilled workers and offers an innovative working environment.

The implementation of SAP S4/HANA offers HENSOLDT Group opportunities in terms of creating a harmonised end-to-end process landscape and, in particular, achieving digital integration of the German group companies. This is a crucial requirement for further growth and more efficient collaboration within the Group. The digitalisation of processes from the initiation of business to delivery to the customer on a uniform platform reduces potential sources of error in the process transitions and creates full transparency across the Group.

2.2 Overall opportunity assessment

The consequences of the war in Ukraine, the geopolitical developments in the Middle East, NATO's priorities in its new strategic concept and changes in the operational doctrines of armed forces worldwide, together with developments in defence technology, present additional opportunities for HENSOLDT. Capabilities such as rapidly establishing a full picture of a given situation, distributing information in a network of connected sensors and effectors in line with the relevant mission, and maintaining control over the electromagnetic spectrum are very much in demand. The Management Board is of the opinion that HENSOLDT is extremely well positioned to meet this demand based on its portfolio.

The increases in defence budgets and rising military spending worldwide present significant opportunities for HENSOLDT, while huge potential is also offered to HENSOLDT by the need for ongoing replenishment of military equipment stocks and extensive upgrading of existing equipment. The opportunities for further networking, for the digitalisation and diversification of its product range and for the expansion of its service business, along with HENSOLDT's ability to operate as an innovation leader in the industry, remain intact and provide a multiplier effect.

V Sustainability Report¹¹

1 General information

This Sustainability Report has been prepared in full compliance with the European Sustainability Reporting Standards (ESRS).

In producing this Sustainability Report, HENSOLDT meets its obligation to prepare a consolidated sustainability report (hereinafter referred to as Sustainability Report) in accordance with sections 315b and 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). The Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD) came into force on 5 January 2023, but the Directive has not yet been transposed into German national law. As in the previous reporting year, HENSOLDT prepares the Sustainability Report on the basis of the first set of European Sustainability Reporting Standards (ESRS) and applies the ESRS (Commission Delegated Regulation (EU) 2023/2772) as the reporting framework.

The information required under Article 8 of Regulation 2020/852 of the European Parliament and of the Council and the Commission Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 of the EU Commission ("Taxonomy Regulation") are included in Section "V.2.2 EU Taxonomy" of the Sustainability Report and are provided, in each case, in the version applicable as at 31 December 2025. Where information has been included based on other legislation or recognized standards, this has been indicated at the relevant point. A list of data points resulting from other EU legislation is provided in the [Appendix](#) to this Sustainability Report.

The Sustainability Report presents the HENSOLDT Group's activities in the fields of environment, social responsibility, and responsible corporate governance, thus also covering the topics required by Section 315c in conjunction with Section 289c of the German Commercial Code (HGB): environmental concerns, employee concerns, social concerns, respect for human rights, and combating corruption and bribery. The ESRS topics identified as material at HENSOLDT can be assigned to the five aspects according to Section 315c Paragraph 1 in conjunction with Section 289c Paragraph 2 of the German Commercial Code.

Aspect in accordance with Section 315c (1) HGB in conjunction with Section 289c (2) HGB	Material ESRS topic standards
Aspect 1 - environmental concerns	ESRS E1 - Climate change
Aspect 2 - employee concerns	ESRS S1 - Own workforce ESRS S2 - Workers in the value chain
Aspect 3 - social concerns	ESRS S1 - Own workforce ESRS S4 - Consumers and end-users
Aspect 4 - respect for human rights	ESRS S1 - Own workforce ESRS S2 - Workers in the value chain ESRS S4 - Consumers and end-users
Aspect 5 - combating corruption and bribery	ESRS G1 - Business conduct

This Sustainability Report further serves as supplement to HENSOLDT Group's Communication on Progress (CoP) as part of the Global Compact of the United Nations.

1.1 Basis for preparation (BP)

General Basis for the preparation of the sustainability statement (BP-1)

The Sustainability Report was prepared on a consolidated basis; the parent company is HENSOLDT AG, based in Taufkirchen, Germany. The scope of reporting in the consolidated non-financial statement is based on the scope of consolidation established for the purposes of financial reporting. No associates or joint ventures were identified over whose assets HENSOLDT has operational control. The reporting period is from 1 January 2025 to 31 December 2025.

¹¹ Section V. Sustainability Report is not part of the financial statement audit. It was subject to a separate limited assurance engagement. A separate Auditor's report was issued on this audit.

The Sustainability Report contains information on the Group’s direct and indirect business relationships along the upstream and downstream value chain. The entire value chain was considered in the assessment of impacts, risks and opportunities (IROs). No material information relating to intellectual property, know-how or the results of innovations has been omitted from the Sustainability Report.

Disclosures in relation to specific circumstances (BP-2)

Time horizons

The time horizons used are defined by HENSOLDT, deviating from the definition in ESRS 1 Section 6.4, as follows: short term: up to 1 year, medium term: 1 to 3 years, long term: more than 3 years. These time periods are consistent with the existing risk management system and were chosen to ensure a uniform approach across the entire company and to integrate the identified impacts, risks and opportunities from sustainability reporting into the existing risk management system. The time horizon defined by risk management is based on the HENSOLDT Group’s 3-year business plan.

Estimations and outcome uncertainty

Material estimates were used exclusively for the calculation of Scope-3 greenhouse gas emissions in section ["V.2.1 Climate Change"](#). Further information on the material estimates and uncertainties of the results can be found in the corresponding section.

If the measurement of a metric is validated by an external body other than the assurance provider, this has been indicated at the relevant point.

In order to continuously improve data management and data quality, HENSOLDT is working on standardizing the system landscape and on uniform data collection processes with the greatest possible degree of automation. Future-related data and information are always subject to a certain degree of uncertainty and inherent limitations.

Comparative information

This report, like the previous year, was prepared in accordance with the ESRS. Any changes to the preparation or presentation of information on a year-on-year basis have been indicated at the relevant point in the Sustainability Report. Due to the possibility of a phased-in introduction of disclosure requirements, certain metrics or definitions are reported for the first time for the 2025 fiscal year. Therefore, comparable prior-year figures are not provided in those disclosures.

During the reporting process for the fiscal year 2025, it was determined that the Scope-3 emissions reported for the fiscal year 2024 in Scope-3.1 category ("Purchased goods and services") were not fully captured. This incompleteness resulted from the incomplete inclusion of procurement-related expense items of a subsidiary during the initial implementation of Scope-3 data collection.

The prior-year figures for the fiscal year 2024 have been adjusted accordingly to ensure comparability (refer to chapter ["V.2.1 Climate Change"](#)). The recalculation was based on an expanded data set and consistent application of the underlying calculation methodology according to the GHG Protocol (Corporate Value Chain (Scope-3) Standard). Scope-1 and Scope-2 emissions are not affected by this recalculation.

Incorporation by reference

The following further information from other parts of the Combined Management Report or Annual Report has been incorporated by reference into this Sustainability Report. These do not constitute mandatory disclosures under the ESRS.

ESRS Datapoint	Disclosure Requirement	Reference
GOV-1.21c GOV-1.23a GOV-1.23b GOV-1.AR 5	GOV-1 - The role of the administrative, management and supervisory bodies	VII.5 Working methods of Management Board and Supervisory Board
GOV-1.21a	GOV-1 - The role of the administrative, management and supervisory bodies	VII.4.4 Compliance

ESRS Datapoint	Disclosure Requirement	Reference
GOV-1.21a	GOV-1 - The role of the administrative, management and supervisory bodies	VII.4.5 Risk and control management
GOV-1.23a GOV-1.23b	GOV-1 - The role of the administrative, management and supervisory bodies	VII.5 Working methods of Management Board and Supervisory Board
GOV-3.29a	GOV-3 - Integration of sustainability-related performance in incentive schemes	VI Remuneration Report
GOV-5.36	GOV-5 - Risk management and internal controls over sustainability reporting	IV Opportunities and risks report
SBM-1.40a SBM-1.42b SBM-1.42c	SBM-1 - Strategy, business model and value chain	I.2.3 Operating segments IV Opportunities and risks report
E1-3.AR 21	E1-3 - Actions and resources in relation to climate change policies	Note 38.1

1.2 Basic principles of Governance (GOV)

The role of the administrative, management and supervisory bodies (GOV-1, GOV-2)

Composition of the Management Board and Supervisory Board

The German Stock Corporation Act, which applies to HENSOLDT, stipulates an organizational separation between the Management Board, which has management functions, and the Supervisory Board, which acts as a supervisory body (dual management system). Detailed information on the composition of the Management Board and the Supervisory Board, including their expertise, skills, tasks and responsibilities, can be found in the Annual Report in section ["VII.5 Working methods of Management Board and Supervisory Board"](#).

In the fiscal year 2025, the Management Board consisted of three managing directors. As of the reporting date, the Management Board of HENSOLDT AG – unchanged from the previous year – comprised three male members. As of 31 December 2025, the gender distribution on the Management Board was 0:3 (previous year: 0:3) and the proportion of women was –% (previous year: –%).

The Supervisory Board of HENSOLDT comprises twelve members (previous year: twelve), of whom five (previous year: five) are women and seven (previous year: seven) are men. As of 31 December 2025, the proportion of women on the Supervisory Board was therefore 41.7% (previous year: 41.7%). The gender diversity on the Supervisory Board remained at 5:7, the same as the previous year. The Supervisory Board was composed of equal numbers of shareholder and employee representatives. Accordingly, 50% of the Supervisory Board, represented employee interests. According to HENSOLDT, all shareholder representatives of the Supervisory Board are considered independent. In accordance with recommendations C.6, C.7 and C.9 of the German Corporate Governance Codex as amended on 28 April 2022, the Supervisory Board does not take employee representatives into account in its independence assessment.

To calculate the proportion of women, the number of female members is compared to the total number of committee members. Gender diversity is calculated as the average ratio of female to male committee members.

Expertise

The members of the Management Board and the Supervisory Board have many years of experience in the industry and therefore possess extensive expertise regarding aspects of corporate governance. The Management Board gains access to expertise regarding sustainability aspects, inter alia, through the Sustainability Committee, whose meetings are attended by selected internal experts. In addition, the Management Board maintains close and active communication with consultants, auditors and other subject matter experts, especially with regard to the sustainability aspects identified as material for HENSOLDT and the associated material impacts, risks and opportunities. The Supervisory Board, which maintains close communication with the Management Board, can also draw on this exchange of information. The Supervisory Board has proven sustainability expertise, as set out in the qualifications matrix of the Annual Report. In addition, one of its members holds the position of Head of Sustainability. Further details about the members and their experience, which is relevant to the company's industries, products, and locations, can be found in section ["VII.5 Working methods of Management Board and Supervisory Board"](#).

Sustainability Committee

The Sustainability Committee supports the Management Board in the strategic management and monitoring of sustainability-related topics, including risks, targets and their implementation. It consists of the management team (CEO, CFO, CHRO), the extended management team (General Counsel, Chief Strategy Officer, Chief Operating Officer, Chief Transformation Officer, Head of Group Sales and Strategic Account Management) and as selected permanent guests the Group Head of Communication and Marketing and Chief of Staff to CEO.

The Sustainability Committee meets quarterly and provides information on various sustainability aspects. In fiscal year 2025, topics discussed included progress toward achieving the sustainability and CO₂ strategy, progress in determining the product CO₂ footprint, the CO₂ reduction roadmap, updates to the materiality assessment, and the status of the CSRD report. Additionally, sustainability ratings, further regulatory topics and trends, such as the EU Deforestation Regulation (EUDR) and the German Supply Chain Due Diligence Act (LkSG), were presented, and their implications were discussed.

The Sustainability Committee has no decision-making authority and serves solely as a platform for information exchange. The meetings are prepared by the Sustainability department. It maintains close communication with relevant departments and contacts, as well as the international sustainability team, which meets once or twice a month. The review and monitoring of all material impacts, risks, and opportunities (refer to section ["V.1.4 Processes to identify and assess material impacts, risks, and opportunities"](#)) is carried out by the Sustainability Committee. In addition, Christian Ladurner (CFO) and Dr. Lars Immisch (CHRO) were members of the CSRD Steering Committee for the CSRD Optimisation Project.

Establishment of a sustainability strategy, sustainability-related actions and targets

The sustainability strategy and sustainability-related actions and targets are defined by the Sustainability department in coordination with the relevant specialist departments in annual expert dialogue sessions and are approved by the Management Board as part of the annual cyclical strategy process. Starting in the second quarter of fiscal year 2025, quarterly strategy meetings were held for the first time to analyse target achievement and actions. The focus of these meetings is to assess the effectiveness of the actions through discussion and exchange with the departments. The results of target achievement were presented and discussed in the Sustainability Committee. When making decisions on major transactions, aspects relevant to sustainability are, if applicable, discussed and decided upon by the Management Board.

The Management Board reports quarterly to the Supervisory Board on progress in selected areas, inter alia sustainability-related priorities. As part of the strategy cycle in fiscal year 2024, the Supervisory Board discussed the new defined sustainability strategy with the Management Board and approved it. In the fiscal year 2025, the sustainability strategy was further specified and progress was monitored.

Selected sustainability-related impacts, risks and opportunities that are part of the Group-wide risk management process and integrated into the ERM (Enterprise Risk Management) report are regularly evaluated with the Management Board and Supervisory Board. Further details can be found in section ["VII.4.4 Compliance"](#) and section ["VII.4.5 Risk and control management"](#).

Integration of sustainability-related performance in incentive schemes (GOV-3)

The incorporation of sustainability components into Management Board remuneration is a key element in achieving the sustainability targets. All members of the Management Board are entitled to multi-year performance-based remuneration ("Long-Term Incentive Bonus", or "LTI Bonus" for short). The remuneration system of the HENSOLDT Group as well as the active tranches are set out in detail in the Remuneration Report (see section ["VI Remuneration Report"](#)). New LTI bonus targets with a term of four years are set each year. The LTI bonus for the 2025–2028 tranche is calculated in the same way as for the 2022–2025, 2023–2026 and 2024–2027 tranches. It is based on two selected sustainability targets, with a rate of 15% in each case.

The following sustainability targets are specified in the current LTI bonus agreement (2025–2028 tranche):

- Reduction of Scope-1¹² and -2 emissions by 40% in the core countries of the HENSOLDT Group (Germany¹³, France, United Kingdom, South Africa) until 2028, starting from the reference year 2023¹⁴ with a reference value of 9,945 tCO_{2e} (market-based). The core countries are selected on the basis of revenue volume.
- Improving work-related well-being and leadership in the core countries of the HENSOLDT Group (Germany, France, United Kingdom, South Africa). Progress will be measured through annual health surveys (the “Health Check”, which also includes questions on leadership behaviour and experiences). Based on a reference score of 66% in 2024, HENSOLDT aims to reach 70% by 2028.

The following sustainability targets were specified in the past LTI bonus agreements (2024–2027 tranche):

- Increase in the installed capacity of renewable energies (wind and photovoltaics) in the core countries of the HENSOLDT Group (Germany¹⁵, United Kingdom, France, South Africa) by 2027 to 4,583 kWp. The core countries are selected on the basis of revenue volume.
- Increase the proportion of women in the management team to 32.0% by 2027. The proportion of women in the management team is measured as the percentage of female managers in the management team in relation to the total number of managers. The management team consists of the Management Board and the Executive Committee as well as executives and senior managers. The target does not include the ESG Group acquired in 2024.

The LTI bonus tranches 2022–2025 and 2023–2026 include a climate-related and a diversity-related target.

The targets relevant to the Management Board’s remuneration, including sustainability-related targets, are determined by the Supervisory Board based on the remuneration system approved by the Annual General Meeting. The Supervisory Board receives fixed remuneration. The Supervisory Board is not paid variable remuneration.

Statement on due diligence (GOV-4)

The core elements of due diligence are integrated into the sections of the sustainability statement as follows.

Core elements of due diligence	Reference
Embedding due diligence in governance, strategy and business model	Section V.1.2 Basic principles of Governance , section V.4.1 Business conduct in particular the HENSOLDT Code of Conduct, section V.1.3 Strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	Section V.1.3 Strategy and business model and section V.1.4 Processes to identify and assess material impacts, risks and opportunities
Identifying and assessing adverse impacts	Section V.1.4 Processes to identify and assess material impacts, risks and opportunities
Taking actions to address those adverse impacts	Section V.3.3 Own workforce , section V.3.4 Workers in the value chain , section V.3.5 Consumers and end-users
Tracking the effectiveness of these efforts and communication	Section V.3.3 Own workforce , section V.3.4 Workers in the value chain , section V.4.1 Business conduct

Risk management and internal controls over sustainability reporting (GOV-5)

As a capital market-oriented entity, HENSOLDT has established a comprehensive Enterprise Risk Management (ERM) system. This is part of the integrated risk management and internal control system, enabling risks to be dealt with at various organisational levels and according to defined procedures. For more detailed information, see section ["IV Opportunities and risks report"](#).

The group-wide internal control system also considers process-related risks in relation to sustainability reporting and includes sustainability-related internal controls. The data collection and aggregation processes for the metrics referred in the Sustainability Report were analysed to identify relevant risks. Appropriate controls were defined for these risks and will be integrated into the existing group-wide internal control system, and especially into the existing risk-control matrix.

¹² Scope-1 emissions include company cars and the use of fossil fuels (gas, propane, oil, diesel), excluding refrigerants.

¹³ Excluding the ESG Group and its subsidiaries.

¹⁴ The LTI bonus target refers to the reference year 2023, which differs from the reduction targets of the sustainability strategy, and has a different scope.

¹⁵ Excluding the ESG Group and its subsidiaries.

Data management software is used for data collection of the recorded metrics. Information and data at the sites must be collected on-site by the data collectors and validated according to the four-eyes principle. Changes on a year-on-year basis are analysed, and significant deviations are individually reviewed, explained, or corrected. Consolidated data is also validated by the respective departments and the Sustainability department. Furthermore, the data entered for the Sustainability Report must be demonstrably documented. A group-wide sustainability manual, which defines data collection and metric calculation, is intended to ensure uniform and consistent reporting. The manual is updated annually and is available in two languages.

When conducting or updating the materiality assessment, the Sustainability department works closely with the ERM department to analyse the reported impacts, risks and opportunities. The sustainability managers are required to coordinate the topics identified during the materiality assessment with the local risk managers, unless both functions are performed by the same person. In addition, as part of the materiality assessment, the Sustainability department analyses and incorporates the sustainability risks, opportunities and impacts already reported in the risk management report. When assessing sustainability risks and opportunities, HENSOLDT is guided by the ERM's assessment methodology so that comparability with the general corporate risks and opportunities can be ensured. Regarding HENSOLDT's impact on the environment or people ("inside-out"), a methodology also derived from the ERM is used, supplemented by the specific requirements of the ESRS. The methodology used has been defined as part of the materiality assessment for the purposes of sustainability reporting and is explained in more detail in section ["V.1.4 Processes to identify and assess material impacts, risks and opportunities"](#). It should be noted that the sustainability-related risks, opportunities and impacts are subjected to a much narrower focus in the Sustainability Report than the risks, opportunities and impacts listed in the opportunity and risk report of the Combined Management Report. Due to the different methodology and approach, not all impacts, risks and opportunities identified as part of the materiality assessment are to be included in the ERM. The impacts, risks and opportunities were assessed at an aggregated level with regard to their integration into the ERM, with only those exceeding the critical ERM threshold being included. The integration of the ERM ensures that all sustainability-related risks and opportunities from the ERM are included in the Sustainability Report. The risk management report is made available to the Management Board and Supervisory Board on a quarterly basis. The most important risks identified and the strategies to mitigate them can be found in the opportunity and risk report (see section ["IV Opportunity and risks report"](#)) and the following topic-specific sections.

1.3 Strategy and business model (SBM)

Strategy, business model and value chain (SBM-1)

Customer groups and product portfolio

HENSOLDT develops and manufactures innovative and customised solutions in the fields of radars, electromagnetic warfare, avionics and optronics. At 31 December 2025, its portfolio comprised a wide range of products and solutions. HENSOLDT is driving the development of defence electronics and optronics and is continually striving to expand and improve the current offering through its own developments based on innovative approaches to data fusion, artificial intelligence (AI) and cyber security, as well as through industrial collaborations and acquisitions designed to increase its competitiveness and expand into new markets. As a platform- and manufacturer-agnostic system integrator in the defence and security sector, HENSOLDT supplies products for a variety of platforms (such as fighter aircraft, unmanned aerial vehicles, helicopters, naval vessels and submarines, armoured vehicles and satellites) from various manufacturers. The products and solutions are sold to the German government and foreign governments as well as to supranational organisations such as NATO and their armed forces and security forces. This is done both directly and indirectly, for example via commercial customers or through consortia or joint ventures. These procurement projects are subject to a strict regulatory environment at both national and international levels in the form of parliamentary or administrative approvals as well as trade regulations and export controls. A detailed description of the Sensors and Optronics operating segments can be found in section ["1.2.3 Operating segments"](#). Total revenue for fiscal year 2025 amounted to €2,455 million.

Locations and employees

HENSOLDT's headquarters are in Taufkirchen near Munich, an important German centre of defence innovation. The Group's German business activities are thus based in particular in Ulm, Oberkochen, Pforzheim and in Fürstfeldbruck. Other locations in Germany include Wetzlar, Immenstaad, Kiel, Bremen and Donauwörth. HENSOLDT's larger locations outside Germany are mainly based in France, South Africa and the UK. The following table shows the breakdown of employees by geographical area. The calculation of the number of employees is carried out analogously to financial reporting.

	Fiscal year	
	2025	2024
Number of employees¹	9,193	8,409
Germany	7,506	6,616
South Africa	726	783
France	704	745
United Kingdom	143	154
Rest of World	114	111

¹ The number of employees is measured as headcount and calculated as the average of the final figures for each quarter.

Value chain

HENSOLDT provides a wide range of solutions, products and services across the market. Consequently, the vertical range of manufacture varies between the different solutions, at the different locations and, for example, depending on the degree of series maturity. This encompasses the production of circuit boards and individual components, their integration and final acceptance through to installation at customer sites. Suppliers, who are divided into optical, electronic and mechanical suppliers depending on their specialisation, play an important role here. The suppliers are primarily goods suppliers who provide HENSOLDT with semi-finished products, parts, and components. The upstream value chain also includes engineering service providers who support research and development activities. External service providers, repair and service providers, logistics providers, staff in the canteens and cafés, as well as cleaning and security personnel also work at HENSOLDT locations.

The portfolio of suppliers can be described as diversified, particularly in terms of company size. Further information on the workforce in the value chain can be found in section ["V.3.4 Workers in the value chain"](#).

HENSOLDT distinguishes between strategic purchasing and project purchasing, the latter of which is responsible for the individual and process-related handling of orders. For large orders in particular, suppliers are involved in project or product development at a very early stage, often during the development phase. The focus here is on long-term relationships with suppliers.

In fiscal year 2025, strategies for minimising procurement risk were further strengthened and specifically optimised. Particular focus was placed on the continuous monitoring and analysis of the global shortage of certain materials caused by pandemic and crisis-related developments. Additionally, special attention was given to the impact of export restrictions imposed by China on rare earths and germanium in an effort to further secure supply. Further information can be found in the Opportunities and risks report in section ["IV Opportunities and risks report"](#).

Sustainability strategy

The sustainability strategy is based on three key dimensions: ecological responsibility ("Environmental"), social responsibility ("Social") and governance responsibility ("Governance"). These dimensions are further concretised into five strategic action areas ("pillars") to ensure that HENSOLDT adopts an appropriate and targeted approach. Key actions and activities in the individual strategic action areas are defined and implemented in detail in the sustainability programme. For further details, refer to the topic-related sections. The actions of the sustainability strategy relate to all products, markets and customer groups, although there is no detailed breakdown into specific products, markets and customer groups.

Ecological responsibility

The strategic action area "Planet & Resources" aims to minimise the company's environmental footprint and promote a sustainable future. HENSOLDT is committed to reducing CO₂ emissions, expanding renewable energy and utilising resources efficiently. The long-term target is to become carbon neutral for all direct Scope-1 emissions and indirect Scope-2 emissions by 2035 (further information in section ["V.2.1 Climate change"](#)). To achieve this, HENSOLDT is taking action in several ways at its sites in Germany, France, South Africa and the United Kingdom.

Social responsibility

The strategic action area “Own workforce” focuses on providing workers with safe and fair working conditions. HENSOLDT promotes an inclusive and diverse company culture and is committed to continuous training and development. Health and safety in the workplace are also key elements of the strategy.

The “Suppliers” strategic action area focuses on responsible, collaborative relationships with suppliers. The Group requires that all its material partners meet its standards in terms of sustainability, ethics and transparency. Regular supplier assessments and supplier-specific risk analyses strengthen sustainability in the supply chain.






The “Customer” strategic action area aims to ensure that products meet the highest quality and safety standards. HENSOLDT invests in customer-oriented innovations and focuses on sustainable product design.

Governance responsibility

The strategic action area “Business Integrity” aims to ensure that high standards of business conduct and compliance are maintained. HENSOLDT is committed to transparency, ethical behaviour and compliance with legal regulations. The Code of Conduct applies to all employees, suppliers and business partners. Strict anti-corruption guidelines, regular training and audits as well as a robust whistle-blower system are designed to promote fair business practices and prevent breaches.

Sustainable Development Goals

The United Nations’ Sustainable Development Goals (SDGs) consist of 17 goals for sustainable development at economical, social and ecological levels. They are directed at countries and organisations worldwide. HENSOLDT has assigned and prioritised the SDGs in a matrix consistent with its materiality assessment and sustainability management, based on the impact the company has on the environment and society and the significance for its stakeholders. Based on this analysis, the following SDGs and their sub-goals are currently the company’s focus:

	<p>Quality Education</p> <p>4.5 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training.</p> <p>4.b Increase the number of scholarships worldwide.</p>
	<p>Industry, Innovation and Infrastructure</p> <p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors.</p>
	<p>Reduced Inequalities</p> <p>10.2 Empower and promote the social, economic and political inclusion of all.</p>
	<p>Climate Action</p> <p>13.2 Integrate climate change measures into (national) policies, strategies and planning.</p>
	<p>Peace, Justice and Strong Institutions</p> <p>16.5 Substantially reduce corruption and bribery in all their forms.</p>

Consideration of the interests and views of stakeholders in the business strategy (SBM-2)

HENSOLDT places great importance on stakeholder engagement and considers their interests during strategy development. To this end, HENSOLDT maintains direct communication with the company's stakeholders, including employees, management, investors, customers, suppliers, associations, and local communities. In addition, HENSOLDT draws on experts from internal departments who, as representatives, possess in-depth knowledge of the interests, experiences, and perspectives of their respective stakeholder groups. The results of this ongoing dialogue with stakeholders are taken into account when formulating the overarching corporate strategy and developing the sustainability strategy. The materiality assessment process also involves engaging stakeholders in identifying material issues through interviews as part of the stakeholder survey; see section ["V.1.4 Processes to identify and assess material impacts, risks, and opportunities"](#).

The Management Board is informed about the positions and interests of affected stakeholders regarding the company's sustainability-related impacts through regular exchanges on the sustainability strategy and materiality assessment within the Sustainability Committee and provides key information to the Supervisory Board. See section ["V.1.2 Basic principles of Governance"](#). The most important stakeholder groups and the format of the exchange are described below.

Employees

Employees are multipliers of company values and culture and contribute to the company's success. Issues such as occupational safety, equal opportunities, and export control regulations are of central importance to them. Through various established direct dialogue formats and employee participation, the employee perspective is continuously incorporated into strategic and operational decision-making processes. Details on involvement of the own workforce can be found in section ["V.3.3 Own workforce"](#).

Suppliers and workers in the value chain

Suppliers are strategically important for HENSOLDT, as long-term partnerships are critical to ensuring a stable, resilient and sustainable supply chain. Decent and fair working conditions are a key prerequisite for the sustainable performance of the value chain. Supplier management, in particular its risk assessment of suppliers and the selection process for them, contributes to compliance with the requirements of the German Supply Chain Due Diligence Act (LkSG). Each supplier provides a self-assessment declaration and places it at HENSOLDT's disposal. In addition, an annual meeting is held with the main suppliers to discuss individual current services and the perspective for future collaboration. For more details, see section ["V.3.4 Workers in the value chain"](#).

Customers and end-users

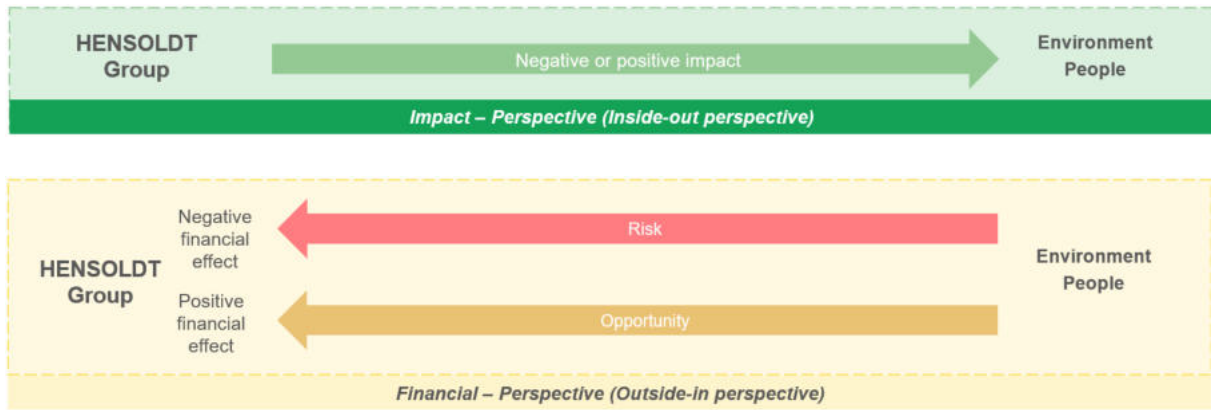
Providing safe products and ensuring their reliable operation throughout their entire lifespan are of paramount importance and meet the legitimate expectations of customers and end-users. Their requirements and operational realities significantly influence the development and direction of products and solutions. HENSOLDT has established itself as a trusted long-term partner for its customers and end-users. The manufactured products are generally highly specialised and are made according to specific customer requirements. Customers are often involved as early as the development stage. By comparison, their direct involvement in serial products is generally only an exceptional case. The involvement of customers therefore depends heavily on the product or project in question.

Investors

Investors participate directly in the company's success and are therefore interested in positive and sustainable corporate development. The Investor Relations department ensures continuous, transparent communication with the capital markets. In addition to the Annual General Meeting, the Management Board maintains a regular dialogue with the capital market and institutional investors through roadshows and conferences. HENSOLDT held a Capital Markets Day on 11 November 2025. At this event, the management presented a comprehensive insight into the strategic orientation and medium-term planning and gave participants the opportunity to talk directly to the HENSOLDT management.

1.4 Processes to identify and assess material impacts, risks and opportunities (IRO)

The materiality assessment process makes it possible to specifically determine which sustainability matters are of material importance to HENSOLDT and its stakeholders. The impacts of business activities on the environment and society (impact materiality) and the financial impact of sustainability matters on HENSOLDT (financial materiality) were both taken into account.



Processes, methods and assumptions for performing the materiality assessment (IRO-1)

Since 2023, HENSOLDT has been conducting materiality assessments in accordance with the ESRS guidelines and updating them annually. A systematic process with clear roles and responsibilities has been established for this purpose. This process includes the identification and assessment of impacts, risks and opportunities, as well as dialogue with stakeholders, and is explained below. The Sustainability department is responsible for the process. In the 2025 fiscal year, the materiality assessment was updated to ensure that all relevant sustainability topics continue to be covered.

Identification of material impacts, risks and opportunities

At the beginning of the assessment, the list of topics and subtopics set out in ESRS 1, AR16 was used as the basis for identifying impacts, risks and opportunities. Extensive expert workshops were held in which employees from various departments commented on the sustainability aspects. The findings of past materiality assessments and the ERM report (Enterprise Risk Management) were also taken into account. A reconciliation of impacts, risks and opportunities with the climate risk assessment was subsequently carried out (see section "1.5 Topic-specific disclosure requirements"). The expert panels analysed actual impacts that have already occurred as well as potential impacts that could arise in the future. Where possible, the expert workshops covered the entire value chain. An internal expert assessment was conducted to determine whether certain locations, business activities, or relationships could lead to an increased risk of adverse impacts. As part of the materiality assessment update, the experts were asked to confirm the existing findings and, if necessary, to add further impacts, risks and opportunities to the list.

Assessment of potential and actual impacts on people and the environment

After identifying the actual and potential impacts, an assessment was carried out by selected experts. This group was composed of internal experts with in-depth knowledge of the respective areas. The detailed assessment of the impacts identified in the first step was initially conducted by colleagues from various functions for Germany following a comprehensive briefing. For the international locations in France, South Africa, Australia and the United Kingdom, the individual sustainability officers assessed each impact in detail and added to the list where necessary. As part of the materiality assessment update, the subject matter experts re-examined the previous assessments of the impacts, risks and opportunities. Comprehensive briefing materials were available to them beforehand.

In order to take all aspects of the impacts into account, the assessment was carried out in several dimensions in line with standard practice, where both positive and negative impacts were considered in a differentiated manner. In both categories, the experts assessed the scope, scale and, in the case of negative impacts, their irremediable character (irreversibility). Another important assessment factor is the time horizon, which gives an estimate of when the positive or negative impact will occur and how long it will last. For potential impacts, both positive and negative, the probability of occurrence was also assessed. The five-level scale of this assessment dimension is based on the existing enterprise risk management system (ERM). The extent of the impact is also measured on a five-level scale, while the scope and irremediable character are assessed on a three-level scale. All dimensions are equally weighted in the final evaluation. The identified sustainability matters were aggregated and presented in a matrix, which is shown at the end of the section. The threshold at which an individual impact within a topic cluster identified as material is considered material has been set at 50%.

Assessment of financial impacts

The assessment of the financial impacts as well as the risks and opportunities was also carried out by the expert panels. For the assessment, the potential scale of the financial impacts was estimated and the likelihood of occurrence was also determined. The assessment standard for the financial scale and the probability is derived from the existing risk management system, which ensures consistency with the ERM. The assessment of these two aspects is thus based on a five-point rating scale. Sustainability risks are not prioritised over other types of risk. Regarding the presentation of material sustainability information, a threshold value at 50% of the rating scale was introduced for risks and opportunities related to sustainability, which indicates the materiality of a topic. Refer in this regard also to the section on the description of risk management and internal controls relating to sustainability matters in section ["V.1.2 Basic principles of Governance"](#).

The identified risks and opportunities relating to sustainability are factored into the overarching corporate strategy. The opportunities identified are regularly analysed to determine how far they are considered when making strategic decisions. Examples from previous fiscal years include the investment in technologies for the generation of renewable electricity or the increased focus on the development of software solutions using artificial intelligence.

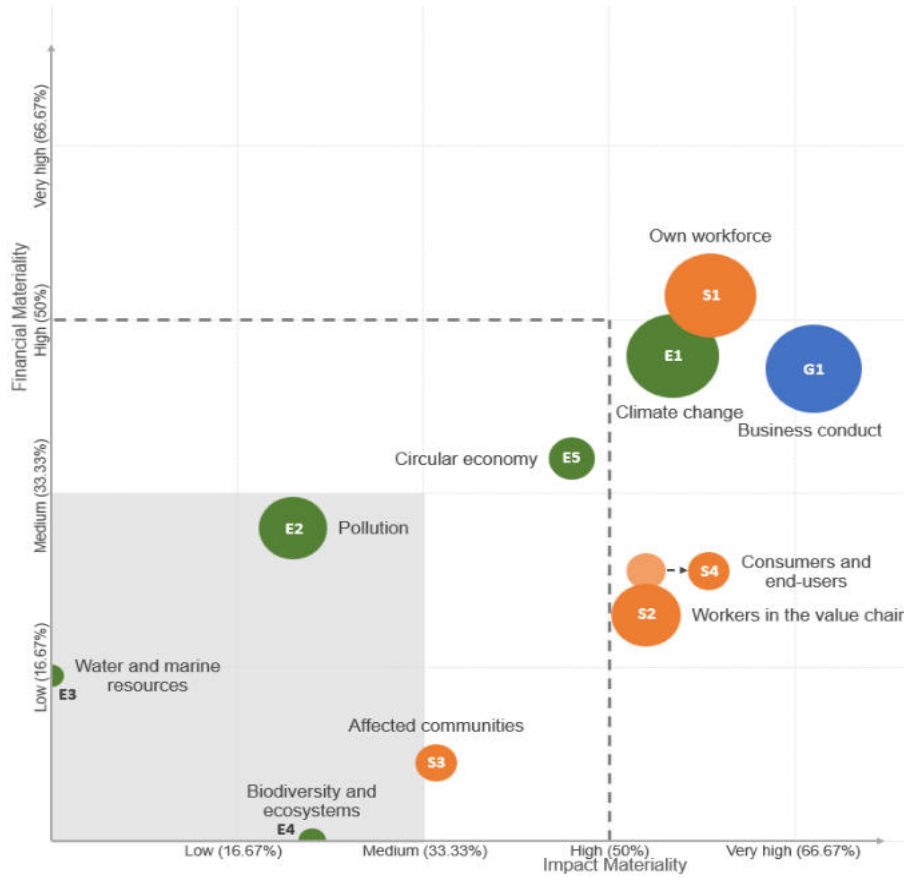
Engagement of stakeholders in the materiality assessment

In the course of the initial preparation of the materiality assessment, HENSOLDT conducted a stakeholder survey to gain insight into stakeholder perspectives and to consider them in the materiality assessment. Interviews were conducted using questionnaires with 18 stakeholders identified as relevant (representatives from management and the Supervisory Board in order to reflect the perspectives of employees and other workforce members, investors, business partners, customers and suppliers).

As part of the materiality assessment update, the completed questionnaires were reviewed and validated by the selected stakeholders in the fiscal year 2025 after they had been provided with relevant briefing materials. Respondents had the opportunity to provide their assessments of sustainability aspects and to add to specific topics. Since the stakeholders represent different sectors and each brings their own expertise, they were free to decide which topics they wished to examine and assess in greater depth. This approach makes it possible to benefit from diverse perspectives and obtain a comprehensive picture of the key sustainability issues.

Results of the double materiality assessment (IRO-2)

The results of the assessment of material impacts, risks and opportunities were aggregated and compared with the results of the stakeholder survey. They were then presented in the form of a materiality matrix with a materiality threshold of 50% of the rating scale. They were finalised by the CSRD Steering Committee, presented to the Sustainability Committee and approved by the Management Board. The phased approach and the numerous process-related validations at various specialist and management levels ensure the application of standardised benchmarks. This produces the following matrix:



The result of the double materiality assessment was that the topics E1 Climate change, S1 Own workforce, S2 Workers in the value chain, S4 Consumers and end-users and G1 Business conduct are material and are reported on accordingly. The updated materiality assessment for fiscal year 2025 revealed a shift to the right on the scale for topic S4 – Consumers and end-users – on a year-on-year basis. This is due to a higher assessment of the existing impacts. This will not result in any changes to the reporting. A list of the disclosure requirements following the result of the materiality assessment can be found in the [Content index](#) to this Sustainability Report.

Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The following table details the material impacts, risks and opportunities relating to sustainability matters. For definitions of the terms “impacts”, “risks” and “opportunities” and additional background information, see section [“V.1.4 Processes to identify and assess material impacts, risks and opportunities”](#). The extent to which the identified issues also relate to the value chain or business relationships can be seen in the “Value Chain” column. Geographic areas, the type of assets, inputs, outputs, and distribution channels were taken into account during the identification process. As part of the updated materiality assessment, significant positive impacts were identified as conceptual actions on a year-on-year comparison. The topics listed as positive impacts in the previous year can be found in the 2025 report in the “Actions” section of the respective section (E1 and S2).

Sustainability matter	Impact (inside-out)	Time horizon	Value chain	Risk/opportunity (outside-in)	Actions/Strategy
Climate change (E1)					
Climate change mitigation (CO₂ emissions)	CO ₂ emissions with a negative impact on the environment result from production and business travel within the company, but also along the value chain and through logistics services.	long term	upstream and downstream	Stricter CO ₂ regulations represent a climate-related transition risk and may lead to additional financial costs as well as the need for adaptation efforts in processes and technologies.	<p>The strategic action area "Planet & Resources" aims to minimise the Group's environmental footprint.</p> <p>Actions to reduce CO₂ emissions, expand renewable energies and sustainable product innovations can be found in section V.2.1. Climate change.</p>
Climate change adaptation	No significant impacts were identified.	long term	no	The climate risks analysis identified physical climate risks (storm, tornado, hail, subsidence and cold stress) brought about by climate change that may pose a risk to business operations at individual sites.	
Energy	HENSOLDT's energy consumption results in a negative impact on the environment when using non-renewable energy sources and is increased by the growth strategy.	short, medium and long term	no	<p>Dependence on fossil energy sources, a potential tightening of regulations, and rising energy prices constitute financial transition risks for HENSOLDT.</p> <p>Opportunities for cost reduction arise from the autonomous use of renewable energy sources (e.g. photovoltaic systems), the construction of energy-efficient buildings, and the optimization of energy management in production.</p>	
Own workforce (S1)					
Working conditions	<p>Positive impacts on working conditions and employee well-being were identified through the existing work-life balance policies, but also as a result of the existing health and safety policy.</p> <p>Adequate wage, secure employment and special protection agreements for employees provide good working conditions. These conditions are secured through works councils and collective bargaining agreements.</p> <p>Further positive impacts result from established communication channels between HENSOLDT and its employees, which contribute to improved working conditions and enhanced employee well-being.</p> <p>Negative impacts on employees may arise from potential occupational accidents and psychological stress, which can adversely affect their well-being and working conditions.</p>	medium and long term	no	<p>Risks relating to business performance are posed by the challenging situation in recruiting (skilled labour shortage) and the possible departure of qualified key staff.</p> <p>In addition, staff absences, psychological stress or accidents can lead to downtimes and absenteeism and lead to financial losses.</p> <p>The actions taken relating to working conditions and a comprehensive health management system represent an opportunity to promote the health of workers, increase employer attractiveness and minimise absenteeism thereby enhancing efficiency and effectiveness.</p>	<p>The strategic action area "Own workforce" focuses on providing workers with safe and fair working conditions. HENSOLDT promotes an inclusive and diverse corporate culture and is committed to continuous training and development. Health and safety in the workplace are key elements of the strategy.</p> <p>The relevant actions and the health management are described in section V.3.3 Own workforce.</p>
Equal treatment and opportunities for all	Positive impacts on employees result from the actions to promote gender parity and from training and further education actions that strengthen development opportunities and foster an inclusive, supportive working environment.	medium and long term	no	Opportunities arise from the programmes for diversity and further training, which improve diversity and employer attractiveness thereby enhancing efficiency and effectiveness.	

Sustainability matter	Impact (inside-out)	Time horizon	Value chain	Risk/opportunity (outside-in)	Actions/Strategy
Workers in the value chain (S2)					
Working conditions	In the upstream value chain, non-compliance with certain labour standards can lead to potential negative impacts that may affect the social environment of the workers concerned. The application of safety standards for a safe working environment at HENSOLDT sites has a potentially positive impact on the workforce in the value chain.	medium and long term	upstream and downstream	Non-compliance with labour standards can lead to fines and thus give rise to financial risks.	Strategic action area "Suppliers": HENSOLDT relies on close cooperation to ensure that all partners meet the standards in terms of sustainability, ethics and transparency. Actions include the Supplier Code of Conduct as well as regular assessments and risk analyses. See section V.3.4 Workers in the value chain
Other work-related rights	Potential negative social impacts can result from non-compliance with human rights in the supply chain.	medium term	upstream	Human rights incidents in the supply chain can lead to reputational risks and financial penalties and thus give rise to financial losses.	
Consumers and end-users (S4)					
Personal safety of consumers and/or end-users	Non-compliance with business, development and product compliance processes or improper handling of the products can lead to potentially negative impacts on end-users by impairing the quality and safety of product use. The products and portfolio of HENSOLDT and the strict requirements for product safety improve the safety of end-users.	medium term	downstream	Product and liability risks can arise if the products fall short of safety and quality standards and thus lead to financial losses.	The "Customer" strategic action area pursues the goal of ensuring that products meet the highest quality and safety standards. HENSOLDT invests in customer-orientated innovations and focuses on sustainable product design. Actions relating to customers are described in section V.3.5 Consumers and end-users .
Business conduct (G1)					
Corporate culture	A positively practised corporate culture ensures satisfied workers. These can then be multiplied along the value chain by the values expressed in the Code of Conduct.	medium and long term	upstream	Competitive opportunities result from initiatives that maintain and promote a strong corporate culture, particularly through motivated workers and efficient processes. This can lead to positive financial impacts.	
Corruption and bribery	No significant impacts were identified.	medium term	no	Reputational risks may arise due to corruption and possible bribery or anti-competitive or fraudulent behaviour and thus lead to financial losses.	The strategic action area "Business Integrity" creates the framework for ensuring that the highest standards of business conduct and compliance are maintained. HENSOLDT is committed to transparency, ethical behaviour and compliance with legal regulations.
Political relations	No significant impacts were identified.	medium term	no	Potential fines and reputational risks may arise if the relevant stipulations are not met and thus give rise to negative financial risks.	
Company-specific: Data responsibility	The loss or misuse of personal data can have a potentially negative impact on workers, suppliers or customers and end-users, as it may impair fundamental data protection interests.	short, medium and long term	upstream and downstream	Improper handling of personal data can lead to reputational damage and fines. Further potential reputational and liability risks could arise from cyber attacks and thus lead to financial losses.	The Code of Conduct is set out in section V.4.1 Business conduct . Privacy and export compliance are company-specific topics described in section V.4.2 HENSOLDT-specific disclosure due to material impacts, risks and opportunities .
Company-specific: Export compliance	Failure to comply with export compliance can result in employees being held personally liable. Adhering to export compliance thus protects employees from misconduct and provides them with security through protection from prosecution and a sustainably secure workplace.	medium term	no	Non-compliance with regulatory requirements may constitute an administrative offence or lead to criminal prosecution and entail reputational risks and financial losses.	

At HENSOLDT, there were neither material effects on the financial or earnings position nor material negative effects on cash flows due to the sustainability-related risks and opportunities identified in the reporting period 2025. In addition, based on current estimates, no material adjustments to the carrying amounts of the assets and liabilities recognised in the Financial Statements are anticipated. Based on the sustainability-related risks and opportunities identified, HENSOLDT assumes that neither material effects on the financial or earnings position nor material negative effects on cash flows are expected for the 2026 reporting period. The impacts, risks and opportunities in the area of export compliance are related to activities in the defence industry. The prevention of the identified negative impacts and risks and utilisation of the identified opportunities and positive impacts are aligned with the corporate and sustainability strategy, as explained in the section "[V.1.3 Strategy and business model](#)".

HENSOLDT makes use of the phased-in option in ESRS 1 Appendix C and waives the disclosure requirements in ESRS 2 SBM-3 48e.

HENSOLDT regularly analyses and monitors the resilience of its business strategy and business model in terms of its ability to manage the material impacts and risks and exploit the material opportunities. This is done by means of a PESTEL analysis, which analyses political, economic, social, technological, environmental and legal impact drivers relating to the company. Furthermore, impacts, risks and opportunities are assessed on a quarterly basis as part of regular risk reporting (see section "[V.1.2 Basic principles of Governance](#)") and provided to the Management Board as part of the risk report. Scenario analyses are also conducted to review the issue of resilience, particularly analysing and examining macroeconomic and geopolitical changes. These analyses look at different planning periods (short term: up to 3 years, medium term: 3 to 5 years and long term: 5 to 10 years). Strategic risks are regularly discussed with the Management Board. In addition, regular workshops are held to enable an agile response to the impacts, risks and opportunities that arise. HENSOLDT responds to the material sustainability-related impacts, risks and opportunities with appropriate actions to ensure the resilience of the business strategy and business model.

1.5 Topic-related disclosure requirements

Climate change (E1-IRO-1)

The resilience of HENSOLDT's strategy and business model with regard to climate change is examined annually as part of the analyses described below. The identification and assessment of climate-related impacts, risks and opportunities are carried out as part of the integrated consideration of sustainability-related impacts, risks and opportunities, which is conducted across several organisational levels. The impacts on climate change were considered, in particular, through actual and future CO₂ emissions within the framework of the sustainability strategy development. The impacts of the company's own operations as well as those along the value chain were analysed in line with the Science-Based Targets initiative (SBTi) concept. This analysis utilized the already implemented CO₂ reporting system, which was supplemented with target values.

Climate risks are generally divided into physical risks and transition risks. Physical climate risks, such as those arising from weather events, require actions to protect assets, while transition risks towards a climate-neutral economy, which are related to market changes or regulatory developments, require adaptation strategies. In fiscal year 2025, HENSOLDT conducted a resilience analysis as part of its materiality assessment, which considered both physical climate risks and transition risks.

The climate risk analysis took into account the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) as well as the requirements of the ESRS and the EU Taxonomy. The selection of analysed locations was based on size (more than 20 employees), type (i.e. which functions are represented at the location), and relevance to HENSOLDT. Sites that could be relocated without significant restrictions to business operations in the event of impending climate risks were not taken into account. A scenario analysis was conducted to identify the climate risks. The resilience and scenario analysis was not performed for the upstream and downstream value chain. However, aspects within the supply chain were analysed as part of the materiality assessment.

The scenario analysis is based on the IPCC (Intergovernmental Panel on Climate Change) climate scenarios RCP 4.5/SSP2 (Representative Concentration Pathway / Shared Socioeconomic Pathway) and RCP 8.5/SSP5 (Representative Concentration Pathways of the Intergovernmental Panel on Climate Change), which were evaluated up to the year 2100. RCP 4.5¹⁶ represents a sustainable development pathway with warming of 2 to 3 degrees Celsius and is used in the analysis to examine maximum transition risks. The scenario assumes a future with more stringent climate policies and rising CO₂ prices, the decarbonization of the European power mix and industry, as well as accelerated technology adoption in the energy market (increased energy efficiency, electrification, and expansion of photovoltaics). RCP 8.5 describes a "business-as-usual" scenario with more than 4 degrees Celsius of warming. In this scenario, it is assumed that fossil fuels continue to play a major role and renewable energies receive limited recognition. This leads to a significant increase in greenhouse gas concentrations in the atmosphere and, as a consequence, to a strong rise in extreme weather events and other physical climate risks. While RCP scenarios assume different greenhouse gas concentrations that determine future weather and climate developments, the SSPs also integrate social and economic developments.

Physical climate risks were analysed for each location over the short-, medium-, and long-term periods, including their probability and impact. For this purpose, the following time horizons were applied: (short term: up to 3 years; medium term: 3 to 5 years; long term: 5 to 10 years). These do not completely reflect the long lifespan (until 2100) of the

¹⁶ The RCP 4.5 climate scenario represents a sustainable development pathway with a temperature increase of 2 to 3 degrees and is therefore not consistent with limiting global warming to 1.5 degrees. However, given the 10-year assessment period considered, there is no material deviation in the reduction pathway compared with the RCP 2.6 (1.5-degree) scenario.

underlying assets, especially the existing buildings at the site, as well as long-term site planning. A capital allocation plan was not used in this context, as HENSOLDT does not employ such a plan for strategic planning. Site-specific geographic coordinates were used in the analysis. The results of the scenario analysis were validated in the Sustainability Risk Management Workshop with the local sustainability representatives, applying the methodology from Enterprise Risk Management (ERM) to assess the likelihood and impact and considering the relevant time horizons: (short term: up to 3 years, medium term: 3 to 5 years and long term: 5 to 10 years). In addition, the findings from the ERM Risk report were taken into account in the assessment. The scenario analysis reflects possible future projections and is therefore subject to uncertainties.

During the workshop, the transition risks based on the two scenarios were also discussed and evaluated. The TCFD classification (Task Force on Climate-related Financial Disclosures) was used as a basis, and potential transition risks and opportunities were identified for each category (market, technology, reputation, regulatory). These four categories are of central importance to HENSOLDT, as they represent the key influencing factors on the business environment and strategic direction. To ensure a holistic view, the results from the materiality assessment and risk management were also considered. The methodology from Enterprise Risk Management (ERM) was adopted for the assessment, and the results were validated in a Sustainability Risk Management Workshop with the local sustainability representatives, taking into account the corresponding time periods: (short term: up to 3 years, medium term: 3 to 5 years and long term: 5 to 10 years).

At individual HENSOLDT locations, significant physical climate risks were identified in the gross assessment, especially risks arising from storms, tornadoes, subsidence, hail, and cold weather. To mitigate these risks, HENSOLDT has already implemented various actions, such as taking out insurance and ensuring appropriate building design. A significant transition risk results from stricter regulations, especially regarding CO₂ emissions, and dependence on fossil fuels. These could lead to rising CO₂ prices. HENSOLDT is countering this dependence through increased investments and projects. One action is the increased conversion to renewable energy sources and the reduction of fossil fuel use, which can also result in potential cost savings. The analysis did not identify any assets or business activities that are incompatible with a climate-neutral economy. Furthermore, no significant opportunities for HENSOLDT related to climate change and climate change adaptation were identified.

Due to the detailed analysis of physical climate risks and transition risks, as well as their respective counter actions, which was carried out, among other things, in workshops with internal experts (local sustainability representatives), HENSOLDT is confident that it is sufficiently resilient to climate change for the next 10 years. In doing so, HENSOLDT's growth strategy, as well as actions already defined and planned, were taken into account. As the results of the climate risk analysis did not identify any climate change-related threats to the business model within the next 10 years, an adaptation of the business model within this period is not necessary.

In its resilience analysis, HENSOLDT assumes that while its energy consumption will increase during the transition to a low-carbon and resilient economy due to the at least medium-term high demand for defence electronics resulting from European and German procurement initiatives, the energy mix will be dominated by renewable energies, thus ensuring sufficient renewable energy sources for the procurement of green electricity. It is also assumed that technology adoption will continue, leading to a decrease in fossil fuel consumption through energy efficiency improvements, cost-effective expansion of photovoltaics, and the electrification of the company car fleet. In assessing the resilience relating to physical climate risks, HENSOLDT assumes that the frequency and severity of extreme weather events will develop to such an extent that assets can still be insured against potential damage.

The Sustainability department works closely with the Finance department to ensure that the climate scenarios used are consistent with the critical climate-related assumptions in the financial statements. No assumptions relating to climate-related uncertainties were made in the Consolidated Financial Statements for the fiscal year 2025.

Other environmental topics (E2-, E3-, E4-, E5-IRO-1)

In fiscal year 2025, a detailed biodiversity analysis was carried out to determine whether the company's own locations are in areas particularly sensitive to influences on biodiversity and ecosystems.

The biodiversity analysis includes a review of the geographical location of the locations in relation to their proximity to protected areas. Additionally, it analyses the activities carried out at each site to assess potential impacts on surrounding ecosystems and biodiversity within the protected areas, and to identify possible dependencies. The aim of this analysis is to identify risks early and to implement appropriate actions to ensure environmental protection and minimise negative impacts on biodiversity. The results of the analysis show that no locations are positioned within or near a protected area or an AZE (Alliance for Zero Extinction) area. This leads to the conclusion that no significant impacts or dependencies on biodiversity are anticipated.

Dependencies relating to biodiversity and ecosystems were evaluated on a purely qualitative basis using the business model. No dependencies were identified for HENSOLDT's own business operations, as HENSOLDT's business model does not materially rely on ecosystem services such as biodiversity, fertile soils, clean water or clean air. An assessment

of the upstream value chain, in which the availability of raw materials in particular is to be regarded as a potentially relevant ecosystem service, was not carried out. Transition risks as well as physical and systemic risks related to biodiversity and ecosystems were not specifically considered in the identification of the material impacts, risks and opportunities.

The process to identify impacts, risks and opportunities relating to the other environmental topics was carried out for all topics in line with the procedure described in the materiality assessment. However, based on the business model, it was not necessary to examine any specific sites in relation to pollution, water and marine resources or resource use and circular economy. The HENSOLDT product range referred to in section ["V.1.3 Strategy and business model"](#) requires the manufacture of individual products and small batches, which is associated with limited resource use and waste volumes. Since the products are durable, modular in design, and predominantly used for military purposes, only small amounts of waste are generated. Therefore, resource use and the circular economy were identified as not material within the scope of the materiality assessment.

Regarding pollution, water and marine resources, biodiversity and ecosystems as well as resource use and circular economy, no particularly affected communities were identified and therefore no separate consultation was carried out.

Business conduct (G1-IRO-1)

In particular, experts from the Compliance and Data Protection & IT Law and Political Affairs departments were interviewed as a means of identifying impacts, risks and opportunities in connection with corporate governance. International points of contact were also included to enable a global assessment. The results can be found in section ["V.4 Governance responsibility"](#).

2 Ecological responsibility

2.1 Climate change (E1)

HENSOLDT's target is to minimise its environmental footprint and promote a sustainable future. The strategic pillar "Planet & Resources" relates to the strategic action area "CO₂ reduction" and focuses on reducing CO_{2e} emissions and expanding renewable energy.

HENSOLDT plans to achieve CO₂ neutrality for Scope-1 (direct) and Scope-2 (indirect) emissions by 2035. For HENSOLDT, carbon neutrality means 0 tCO_{2e} for Scope-1 and Scope-2 emissions for all sites at the consolidated entities. This can be achieved through energy savings, switching to emissions-free energy sources, retrospective greening of energy and the purchase of CO₂ certificates. The planned CO₂ neutrality target therefore does not meet the requirements of a net-zero target.

Strategic pillar: Planet & resources

HENSOLDT's sustainability strategy reflects the United Nations goal to "take urgent action to combat climate change and its impacts" (SDG 13). The CO₂ reduction targets of HENSOLDT's sustainability strategy were set in line with the Paris Agreement and the guidelines of the Science-Based Targets initiative (SBTi). Since the SBTi does not specifically cover the defence sector, HENSOLDT follows the general targets of the SBTi and the EU reference values adopted in Paris in order to make its contribution to achieving the global climate targets. Alignment with the SBTi¹⁷ guidelines includes the minimum requirement of net-zero emissions by 2050 at the latest and a corresponding linear reduction pathway, thus avoiding an increase in the intensity of emissions. In addition, there is the requirement to reduce Scope-1 and Scope-2 emissions by 42% and to determine Scope-3 emissions and reduce them by 25% by 2030. The corresponding analysis of transition risks and physical climate risks is described in section ["V.1.5 Topic-related disclosure requirements"](#).

¹⁷The SBTi methodology is subject to certain uncertainties regarding the underlying scientific knowledge and future-oriented assumptions for reducing greenhouse gas emissions necessary to achieve the 1.5°C target. The SBTi methodology published in 2021 is currently being revised. Newer scientific findings on the course of climate change could lead to changes in the methodology and the assessment of whether the ambition level of the targets is sufficient to limit global warming to 1.5°C.

The HENSOLDT CO₂ reduction roadmap¹⁸ (E1-1)

In 2024, HENSOLDT developed a detailed transition plan¹⁹ for the first time, until 2035. This transition plan, in the form of a CO₂ reduction roadmap, forms a sub-area of the HENSOLDT Group's sustainability strategy and includes comprehensive actions to achieve CO₂ reduction targets. The CO₂ reduction roadmap and its actions were developed further in the 2025 fiscal year. ESG Group, which was consolidated for the first time in 2024, was fully included in the reduction roadmap. Information and actions regarding the handling of refrigerants were also included. The CO₂ reduction roadmap was presented to the Management Board, which approved the roadmap's CO₂ reduction targets. The roadmap draws on the strategic growth forecasts and plans for the next 10 years. The specific actions in the CO₂ reduction roadmap are based on CapEx and OpEx calculations.

Further details on the actions and progress can be found in the "Action" section. The CO₂ reduction roadmap takes into account all Scope-1 and Scope-2 emissions of major HENSOLDT Group locations within the consolidation scope. The development of a net-zero target and a reduction plan for Scope-3 emissions was driven forward in 2025. Further information on the targets in this context can be found in the "Targets in focus" section. Since HENSOLDT currently does not have a CapEx plan in accordance with the EU taxonomy to increase taxonomy-aligned investments, operating expenses, and revenues, it cannot be aligned with the investments under the CO₂ reduction roadmap.

Decarbonisation levers

HENSOLDT has defined three key decarbonisation levers in its CO₂ reduction roadmap in order to contribute to compliance with the Paris Climate Agreement. The levers include increasing energy efficiency in order to minimise an increase in energy demand even with the projected dynamic growth in business. Country-specific annual savings on energy requirements of between 1.0% and 2.5% are planned. There are also plans to switch energy procurement to renewable sources, such as photovoltaic systems (PV systems) and power purchase agreements (PPAs), as well as to implement the HENSOLDT Mobility Directive to reduce Scope-1 emissions. The third lever entails reducing Scope-3 emissions through sustainable product development and reducing emissions in the supply chain through active supplier management. The associated actions and the resulting emission savings are explained in more detail in the "Actions" section.

Locked-in greenhouse gas emissions

The HENSOLDT product range referred to in section ["V.1.3 Strategy and business model"](#) requires manufacturing, which amounts to the production of individual products and small batches. As a direct result, fully automated production facilities are only employed on a very small scale. Greenhouse gases (GHG) locked into capital goods mainly applies to buildings, and only to a lesser extent to installations. One type of buildings are production buildings with no particularly strict specific requirements and with a long useful life. Apart from that, administration and office buildings for development and laboratory space are required. Overall, HENSOLDT does not have a significant amount of GHG locked into its installations. These products are highly technical goods with a long lifetime given proper maintenance. In this case, no locked-in GHG emissions at any level that could represent a transition risk for the CO₂ reduction targets are contained.

Progress in the reporting year

Selected actions from the CO₂ reduction roadmap were already started in fiscal year 2024 and continued in 2025, such as the conversion and standardisation of energy purchasing in Germany for the companies HENSOLDT Sensors GmbH, HENSOLDT Optronics and ESG Group. Significant progress was made in 2024 by signing PPAs (Power Purchase Agreements), which are long-term supply contracts with energy suppliers of renewable energy installations. These actions enable HENSOLDT to increase its proportion of directly usable green electricity at its German sites from 2026 onwards and reduce the volume of subsequently purchased green electricity certificates.

In addition, almost all sites²⁰ of the French entity HENSOLDT Nexeya switched to green electricity. In the 2024 reporting period, all of HENSOLDT's larger sites also underwent a review regarding the potential use of photovoltaics. This

¹⁸ The CO₂ reduction roadmap and the associated targets, actions and metrics have not been validated by any other external body.

¹⁹ HENSOLDT's CO₂ reduction roadmap does not meet all the requirements of a transition plan according to ESRS, including the establishment of a Scope-3 reduction plan and a net-zero target. HENSOLDT plans to fulfil all requirements for a transition plan in accordance with ESRS in the fiscal year 2026.

²⁰ The locations in Toulouse, Le Barp, and Cologne in France are excluded for fiscal year 2024. This information was incorrectly presented in the 2024 report, as these three locations of the French unit HENSOLDT Nexeya did not use green electricity. The French unit HENSOLDT Nexeya did not use green electricity. In fiscal year 2025, Le Barp sourced green electricity.

initiative was continued in 2025. Further studies are being carried out at sites where potential for the use of PV systems has been identified. During fiscal year 2025, energy-efficient new buildings at the Oberkochen (HENSOLDT Optronics) and Épreville (HENSOLDT Nexeya) sites were completed and occupied. A photovoltaic system has been installed on the new building in Épreville. A similar system is being built for the Oberkochen site and is scheduled for completion in 2026.

Furthermore, HENSOLDT developed a strategy for sustainable business travel in fiscal year 2025 and plans to finalise and implement this in 2026.

Environmental management (E1-2)

HENSOLDT's sustainability strategy encompasses all the aforementioned CO₂ reduction targets. A wide range of actions and a transition plan – the CO₂ reduction roadmap – are designed to ensure the achievement of these targets. The CO₂ reduction roadmap is closely linked to the HSE (Health, Safety & Environment) policy, which, in addition to Health and Safety, establishes overarching principles for environmental management. The HSE policy covers climate change mitigation, energy efficiency, and renewable energy, and includes requirements specifying how the respective business units and subsidiaries must implement the corresponding environmental protection actions. These are reflected in location-based HSE targets, which, inter alia, specify the decarbonization levers described in the "Actions" section at the site level. In each country, an HSE officer is responsible for implementing the policy. They report directly to the Group HSE Manager, who in turn reports directly to the Management Board. All changes or additions to the policy are approved by the Management Board. These are communicated to employees through various channels such as HSE training, safety briefings, and other communication media. The HSE policy applies to all companies, business partners, and visitors to HENSOLDT locations worldwide and is made available via the intranet. External companies and visitors are also informed about the contents of the HSE policy by a coordinator for external companies or a visitor brochure. In addition, the Supplier Code of Conduct includes requirements for environmental protection along the supply chain (refer to section "[V.3.4 Workers in the value chain](#)").

HENSOLDT's environmental management system is already certified to the international standard ISO 14001 in Germany (Sensors, Optronics, and Avionics), the United Kingdom and South Africa (Optronics), as well as in France at the Toulouse (Nexeya) and Plaisir (FRANCE SAS) sites. The certification is reviewed annually and renewed every three years. An expansion of the certification to the HENSOLDT locations Massy and Épreville is planned in fiscal year 2026. Further information can be found in the "Actions" section.

HENSOLDT does not have an overall climate change adaptation policy and target. However, individual actions have already been taken at site level to counteract the identified climate risks (refer to section "[V.1.5 Topic related disclosure requirements](#)").

Targets in focus (E1-4)

HENSOLDT's overarching goal is to achieve CO₂ neutrality for Scope-1 and Scope-2 emissions by 2035. This target is in line with HENSOLDT's sustainability strategy, and is based on the SBTi framework requirements in order to comply with greenhouse gas inventory limits. Further details can be found in the section "The HENSOLDT CO₂ reduction roadmap".

Intermediate targets include the reduction of Scope-1 and Scope-2 CO_{2e} emissions by 25.0% by 2026, by 50.0% by 2029 and by 75.0% by 2032, starting from the location-based base value 29,252 tCO_{2e}-equivalent (tCO_{2e}) in the base year 2024. In fiscal year 2025, location-based Scope-1 and Scope-2 CO_{2e} emissions increased by 5.6% year-on-year (see section "Greenhouse gas emissions"). HENSOLDT is therefore not yet on track to meet its reduction targets as the company's growth is counteracting energy savings while expansion of its use of renewable energies, through PV systems for example, is still in the installation phase. The effects of measures such as procurement of green electricity will only become visible next year with the planned switch to market-based reduction targets.

The reduction targets apply equally to Scope-1 and Scope-2 emissions and relate to all companies within the consolidated group. The current calculation of Scope-2 emission reduction targets uses a location-based approach. The location-based method cannot reflect the actions implemented by HENSOLDT, such as the procurement of green electricity, and is heavily dependent on the development of the energy mix in HENSOLDT's core countries. To better manage and more accurately reflect the actions taken by HENSOLDT, the company plans to develop market-based reduction targets and a corresponding reduction pathway in fiscal year 2026. These targets will in future also be backed up by the existing market-based actions and, where necessary, supplemented by further actions. The current emission reduction targets were approved by the Management Board. The Sustainability department reviews target achievement quarterly and measures it as part of the sustainability reporting.

The base value stated in the previous year for determining the emission targets for the 2020 financial year has been changed to 2024. The reason for this change lies in the improved data basis in 2024 compared to 2020, achieved as part of the CSRD implementation project. In addition, a uniform scope of consolidation for the collection of sustainability

data was established for the first time in 2024, and the consolidation of ESG Group in 2024 resulted in a major change. Apart from the climate risk assessment, no other climate or political scenarios were used as a basis for determining the reduction targets (see section "[V.1.5 Topic-related disclosure requirements](#)"). As described in "The HENSOLDT CO₂ reduction roadmap" section, the growth forecast was considered when calculating the target values. The higher base value for the 2024 base year has no material impact on HENSOLDT's ability to achieve its targets, as it is essentially attributable to the increase in emission factors since 2020. Further details on the measures by which HENSOLDT intends to achieve the targets can be found in the "Actions" section.

Scope-3 emissions were not considered in the target setting. An analysis by HENSOLDT in fiscal year 2025 revealed that, due to the expenditure-based calculation methodology, no targets could yet be defined for the largest Scope-3 emission categories (Scope 3.1 from acquired goods and services and Scope 3.2 from capital goods). Appropriate targets will be developed in fiscal year 2026. For individual categories, such as emissions from business travel (Scope 3.6), initial concrete reduction actions are already in place.

Furthermore, within the framework of the LTI bonus (2024-2027 tranche), HENSOLDT has set itself a remuneration-relevant and applicable target to increase the share of installed renewable energy capacity in HENSOLDT's core countries (excluding the ESG Group) to 4,583 kWp by 2027. By 31 December 2025, 1,912 kWp of capacity was already installed, corresponding to a share of 41.7%.

The actions described in the following section are mainly derived from the decarbonisation levers already described and are designed to ensure that the reduction targets set are achieved.

Actions (E1-3)

Alongside the actions outlined in its CO₂ reduction roadmap, HENSOLDT plans to become ISO 14001 certified for its environmental management system at the HENSOLDT sites Massy and Épreville in 2026. The current status of implementation is detailed in the "Environmental management" section. The HENSOLDT CO₂ reduction roadmap addresses three decarbonisation levers intended to contribute to achieving CO₂ neutrality. The actions contained therein affect either location-based or market-based emissions and, accordingly, are tracked separately.

Location-based

Based on the location-based emissions level and the associated reduction targets, HENSOLDT quantified the planned CO_{2e} savings from individual measures for location-based emissions through 2035 in fiscal year 2025 and linked them to the required CapEx and OpEx. As a result of setting 2024 as the new base year, these calculations were adjusted in fiscal year 2025 and assessed over a ten-year period up to 2035.

HENSOLDT expects to save 4,053 tCO_{2e} through improved energy efficiency in its core countries by 2035. To achieve this, HENSOLDT is focusing on continuously optimising lighting efficiency by progressively using LED lighting as well as on actions relating to ventilation technology, such as optimised controls and more efficient ventilation drives and pumps. These actions are carried out by refurbishing existing buildings or constructing entirely new buildings or sections of buildings to significantly higher levels of efficiency. HENSOLDT estimates the necessary financial resources for the coming years based on the projected energy consumption and standard market investment costs. HENSOLDT assumes that, up to 2035, CapEx of €23 million will be required to implement the efficiency actions. This figure excludes expenditure for replacing entire buildings (new buildings) or parts of buildings to upgrade them to the state of the art. The planned dynamic growth of the HENSOLDT Group is reflected in the stated CapEx amounts.

As a second decarbonisation lever, the expansion of photovoltaics, among other measures, is being used to reduce external energy procurement. This measure has both location-based and market-based effects. To this end, PV systems are to be installed to an increasing extent on existing and new buildings. The action is based on the investments in PV systems totalling €2 million agreed up to 2035 for Germany and South Africa. For HENSOLDT, this action would result in a yearly emissions reduction of 1,478 tCO_{2e}. Further savings will be achieved through the implementation of the mobility policy in Germany, which is expected to reduce emissions by 1,911 tCO_{2e} by 2035. For HENSOLDT Germany's company car fleet, a policy has been introduced to reduce the specific emissions of vehicles by 50% by 2030 and to fully eliminate them by 2035. In addition, the implementation of the legal requirements of the F-gas Regulation (EU 2024/573) will enable further CO_{2e} emission reductions by 2035 by using refrigerants with a lower environmental impact.

In the 2025 reporting period, 334.0 tCO_{2e}²¹ (previous year: 138.2 tCO_{2e}) emissions were saved as a result of the actions already taken.

²¹ The calculation is carried out using the location-based method and relates only to such measures.

To implement the actions described, HENSOLDT forecasts that, starting in fiscal year 2026, it will require CapEx of €5 million for the next 3 years, €9 million in total for the next 5 years and €25 million in total for the next 10 years. Almost all actions to increase energy efficiency require capital expenditure. The construction of energy supply systems, such as photovoltaic systems or heat pumps, requires upfront investments with relatively long amortisation periods. In particular, actions to increase energy efficiency, but also the construction of supply systems, involve considerable measurement and planning work, which require significant labour costs. HENSOLDT assumes that sufficient resources will be available to finance the mentioned actions (see [Note 38.1](#) to the Consolidated Financial Statements).

Market-based

A further reduction results from the market-based perspective. In the 2025 fiscal year, HENSOLDT has already initiated initial measures whose effects are not directly reflected in the location-based reduction targets. In Germany, France and the United Kingdom, electricity procurement is being gradually converted to power from renewable sources via Guarantees of Origin (GoOs); this transition has already been largely implemented in the reporting year (see section "The HENSOLDT CO₂ reduction roadmap"). HENSOLDT has already achieved a reduction in market-based Scope-2 emissions at individual sites in past years through the gradual switch to green electricity. The conclusion of power purchase agreements (PPAs) for electricity from wind and solar plants also serves to reduce market-based Scope-2 emissions. PPAs are being used as long-term direct supply contracts for renewable electricity. From 2026 onwards, 26.0% of the electricity requirement of HENSOLDT's German sites is to be covered by wind and solar PPAs. In addition, HENSOLDT plans to reduce external energy procurement by further expanding its own electricity generation from photovoltaics. As described above, this will have both location-based and market-based impacts.

Sustainable product development

HENSOLDT conducted an analysis of its product portfolio in fiscal year 2025 and specifically identified pilot projects to reduce the product carbon footprint (PCF). The results from the pilot projects are to be integrated into the development of an EcoDesign Guideline by the fiscal year 2027. The EcoDesign Guideline is intended to ensure that the carbon footprint is reduced in the development of new products and thus contribute to achieving the CO₂ reduction targets. Annual knowledge transfer and exchange sessions among the design teams of the national and international HENSOLDT companies are intended to promote the exchange of best practices and continuous improvement based on experience and feedback from initial projects.

The integration of design approaches to promote sustainable product development and the consideration of sustainability criteria in innovations is becoming increasingly important for HENSOLDT. Consequently, in fiscal year 2025, an additional sustainability criterion was incorporated into the innovation management process at HENSOLDT Sensors GmbH. This criterion assesses the extent to which innovation contributes to sustainability beyond market or customer requirements. For the 2026 fiscal year, HENSOLDT plans to create a questionnaire with sustainability criteria for innovation processes to evaluate innovation projects.

Energy consumption (E1-5)

In the 2025 reporting period, HENSOLDT self-generated 649 MWh (previous year: 423 MWh) of solar energy (renewable source).

The stated energy consumption includes consumption by all companies that fall within the HENSOLDT consolidated group. The scope of the data calculation corresponds to that of Scope-1 and Scope-2 emissions in the "Greenhouse gas emissions" section. Consumption figures are recorded using an IT-based tool and are mainly based on primary data. Conversion factors were used to convert the specified data from other energy units into megawatt hours (MWh). DEFRA's conversion factors were used for the energy data for Scope-1 emissions and those of DEFRA, Ecoinvent, OurWorldinData, BAFA and the district heating operators for Scope-2 emissions. The stated amount of energy corresponds to the actual energy consumption of HENSOLDT Group's entities, whereby double counting is excluded. HENSOLDT did not sell any generated energy to third parties in fiscal year 2025. Energy that is procured as "purchased or acquired" energy within organisational parameters is not included. When splitting consumption from purchased or received electricity, heat, steam and cooling into renewable and non-renewable sources, HENSOLDT adopts the approach for calculating market-based Scope-2 emissions. This energy consumption is reported as being from renewable sources only if the origin is clearly specified in the contractual agreements with the suppliers.

Energy consumption and energy mix	Fiscal year	
	2025	2024
in MWh		
Fuel consumption from coal and coal products	–	–
Fuel consumption from crude oil and petroleum products	5,676	6,900
Fuel consumption from natural gas	416	509
Fuel consumption from other fossil sources	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	25,887	41,403
Total fossil energy consumption	31,980	48,812
Share of fossil sources in total energy consumption (in %)	35.8%	58.5%
Consumption from nuclear sources	612	–
Share of consumption from nuclear sources in total energy consumption (%)	0.7%	–%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	–	–
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	56,306	34,320
The consumption of self-generated non-fuel renewable energy	387	330
Total renewable energy consumption	56,693	34,650
Share of renewable sources in total energy consumption (in %)	63.5%	41.5%
Total energy consumption	89,284	83,463

Energy intensity

All segments of the HENSOLDT Group (“Sensors” and “Optronics”) are climate-intensive according to Regulation EU 2022/1288²² and are therefore included in the energy intensity calculation. The net revenue in fiscal year 2025 amounted to €2,455 million (previous year: €2,240 million) (also see section [“II.3.1 Results of operations”](#)). The total energy consumption of HENSOLDT is 89,284 MWh (previous year: 83,463 MWh). This translates into an energy intensity of 36.4 MWh/€ million (previous year: 37.3 MWh/€ million).

Greenhouse gas emissions (E1-6)

HENSOLDT measured greenhouse gas emissions in all producer countries in accordance with the Greenhouse Gas (GHG) Protocol. All companies in the scope of consolidation of the HENSOLDT Group were fully included in the calculation of emissions.

In fiscal year 2025, HENSOLDT generated total location-based emissions of 732,812 tCO_{2e} (previous year: 546,583 tCO_{2e}) and market-based emissions of 713,951 tCO_{2e} (previous year: 529,616 tCO_{2e}). CH₄, N₂O, HFC, PFC, SF₆ and NF₃ emissions were converted to CO_{2e} using the relevant factors of the IPCC and a time horizon of 100 years. The CO_{2e} emissions can be disaggregated as shown in the table. The corresponding CO₂-reduction targets can be found in the “Targets in focus” section. During the reporting process for the fiscal year 2025, it was determined that the Scope-3 emissions reported for the fiscal year 2024 in Scope-3.1 category (“Purchased goods and services”) were not fully captured. This incompleteness resulted from the incomplete inclusion of procurement-related expense items of a subsidiary during the initial implementation of Scope-3 data collection. The previous year’s Scope-3.1 emissions figure has been adjusted accordingly, as have all related metrics. Scope 3.1 emissions have been revised from 363,357 tCO_{2e} to 404,067 tCO_{2e} in 2024, representing an increase of 11.2%.

²² In accordance with Regulation (EU) 2022/1288, climate-intensive sectors are set out in Annex I, Sections A to H and Section L of Regulation (EC) No 1893/2006. HENSOLDT’s Sensors and Optronics segments are assigned to the sectors “26.51 Manufacture of instruments and appliances for measuring, testing and navigation” and “26.70 Manufacture of optical instruments and photographic equipment” in Section C of the Regulation and are therefore classified as climate-intensive sectors.

	Base year ¹	Fiscal year	previous year	Target achievement	
in tCO _{2e}	2024	2025	2024	% Delta	% Delta to base year
Gross Scope-1 GHG emissions	2,627	2,202	2,644	-17%	-16%
Percentage of Scope-1 GHG emissions from regulated emission trading schemes (%)	–	–	–	–%	–%
Location-based Scope-2 emissions	26,625	28,693	25,993	10%	8%
Market-based Scope-2 emissions	9,435	9,831	9,025	9%	4%
Total indirect Scope-3 emissions	/	701,918	517,947	36%	/
1 Purchased goods and services ²	/	555,623	404,067	38%	/
2 Capital goods	/	91,949	47,909	92%	/
3 Fuel and energy-related activities (not included in Scope-1 or Scope-2)	/	5,947	5,499	8%	/
6 Business travel ³	/	16,733	27,042	-38%	/
7 Employees commuting	/	7,835	7,220	9%	/
11 Use of sold products	/	23,831	26,210	-9%	/
Total GHG emissions (location-based)	/	732,812	546,583	34%	/
Total GHG emissions (market-based)	/	713,951	529,616	35%	/

¹ The base value was extrapolated using the emission figures of the ESG Group for Q1 2024 and therefore differs from the emission figures for fiscal year 2024.

² Changes to the emission factors by DEFRA lead to an increase in Scope 3.1 emissions in fiscal year 2025 of 20.9%, in addition to an increase of 13.7% due to the changed purchasing portfolio in 2025.

³ Changes to the emission factors by DEFRA lead to a decrease in Scope 3.6 emissions in fiscal year 2025 of -39.5% and to be offset by an increase in travel activity of 2.2% in 2025.

The Scope-1 and Scope-2 emissions data are largely based on the processing of primary data. To calculate Scope-1 emissions, the consumption of primary energy carriers such as propane, natural gas, heating oil, fuel, and refrigerant is measured. These are recorded along with their respective quantities, e.g., litres of fuel, kWh of energy consumption, or kg of refrigerant. This primary data is then converted into CO_{2e} equivalents using the specific emission factors of DEFRA, in their current version.

To calculate Scope-2 emissions, the consumption of purchased or acquired electricity, heat, steam and cooling is measured using suitable measuring devices and recorded with precise location-based accuracy. Scope-2 emissions are calculated based on the measured energy demand, both on a market-based and location-based approach. For some sites with negligible electricity and heat consumption, estimated values for the reported Scope-2 emissions were used. For energy procurement (market-related Scope 2 emissions), 86.4% of contractual instruments were used via the attributes of energy generation. Of this, 74.6% came directly from the energy supplier as Guarantees of Origin (GoOs) (bundled) and 11.8% from the additional purchase of certificates (unbundled). At the largest sites in Germany, France and the United Kingdom, so-called "Guarantees of Origin" (GoOs) are contractually agreed upon for the energy purchases of market-based Scope-2 emissions. The GoOs are a European certificate that verifies the renewable origin of electricity.

HENSOLDT's Scope-3 emissions are calculated using the GHG corporate value chain approach. The calculation methods and values for Scope-3 emissions are only stated in this report for emission categories that account for more than 1.0% of total Scope-3 emissions. As only a small amount of primary data (2.4%) (previous year: 5.2%) could be obtained for Scope-3 value chain emissions for HENSOLDT, the Scope-3 emissions were calculated in part from secondary data for the corresponding activities. For these reasons, the information on Scope-3 emissions is subject to estimates and assumptions, which are addressed in more detail below.

Excluded Scope-3 emissions ¹	HENSOLDT activities	Immaterial Scope-3 emissions (< 1.0%)
Scope-3.4 & -3.9 Up- and downstream transportation and distribution ²	Activities	0.82%
Scope-3.5 Waste generated in operations	Activities	0.01%
Scope-3.8 Upstream leased assets	No activities	n/a
Scope-3.10 Processing of sold products	No activities	n/a
Scope-3.12 End-of-life treatment of sold products	Activities	0.01%
Scope-3.13 Downstream leased assets	No activities	n/a
Scope-3.14 Franchises	No activities	n/a
Scope-3.15 Investments	No activities	n/a

¹ Scope-3 category emissions 3.8 / 3.10 / 3.13 / 3.14 / 3.15 were not taken into account as HENSOLDT does not operate in these fields. Scope 3.4 / 3.5 / 3.9 / 3.12 emissions were recorded in 2024 but are not reported due to their immateriality. These emissions will be reassessed for materiality every three years (with the next review planned for 2027) if no significant changes are expected. The materiality threshold was set at 1.0% of total Scope-3 emissions.

² Due to the first-time survey in 2024, it is not possible to differentiate between upstream and downstream transport. Despite the aggregation, the combined emissions are below the materiality threshold of 1.0%.

To calculate the Scope-3.1 emissions from purchased goods and services, the EEIO databases (Environmentally-Extended Input Output) had to be used due to the limited availability of data. For the calculation, the procurement volume of HENSOLDT Group was categorised and captured in 21 groups of goods and services multiplied by the corresponding DEFRA emission factors. These 21 groups of goods and services correspond to the categories of the same name in the EEIO database. The proportion of total Scope-3 emissions is around 79.2%. The calculation does not include transport services and the purchase of capital goods, as these are assessed separately.

The same procedure was used to calculate Scope-3.2 emissions from capital goods. The proportion of total Scope-3 emissions in this case is 13.1%.

Scope-3.3 emissions from activities related to fuels and energy, which are not included in the Scope-1 & Scope-2 calculation, account for 0.8% of Scope-3 emissions. The calculation of Scope-3.3 emissions from fuels and primary energy sources (Scope 1) used DEFRA's WTT factors (Well to Tank) from the respective latest data set. For calculating the Scope-3.3 emissions from purchased energy (Scope 2), the WTT factors were also used and a distinction made between losses due to transmission & distribution (T&D) and WTT emissions for purchased energy and losses.

Scope-3.6 emissions from business trips are recorded in detail at HENSOLDT and documented, including distances travelled and modes of transport used. Together with the current DEFRA data and WTT factors based on passenger kilometres, modes of transport and the RFI factor (Radiative Forcing Index) for air travel, the emissions from business travel were calculated. Around 2.4% of Scope-3 emissions are attributable to business trips.

Scope-3.7 emissions from workers commuting were determined based on the number of workers in the national organisations and an assumption for the modal split. This includes the proportion of use of different modes of transport such as car or local public transport, and considers the relevant distances and routes. Reference was also made to internal surveys in Germany, France and the United Kingdom. In South Africa, general studies had to serve as a basis. The estimated days spent working from home were also taken into account. The working-from-home consumption is based on DEFRA 2025 data, with the emissions from electricity consumption being corrected using the country-specific electricity emission factors. In total, around 1.1% of Scope-3 emissions are the result of workers commuting and emissions from working from home.

Scope-3.11 emissions from the products manufactured by HENSOLDT include stand-alone devices and fixtures and fittings. The emissions generated during the service-life phase result from the direct electricity consumption of the components. The primary energy requirement was estimated on the basis of an assumption about the duration of use, the estimated energy requirement of the component and the efficiency of generation of the mobile supply from generators or on-board systems. Combined with the DEFRA emission factors, this results in a 3.4% proportion of total Scope-3 emissions.

Greenhouse gas intensity

Net revenue in fiscal year 2025 amounted to €2,455 million (previous year: €2,240 million) (see also section "[II.3.1 Results of operations](#)"). Total GHG emissions in fiscal year 2025 amounted to 732,812 tCO_{2e} (previous year: 546,583 tCO_{2e}) using the location-based method and 713,951 tCO_{2e} (previous year: 529,616 tCO_{2e}) using the market-based method. HENSOLDT's location-based greenhouse gas intensity totalled 298.5 tCO_{2e}/€ million (previous year: 244.0

tCO_{2e}/€ million). The market-based greenhouse gas intensity amounted to 290.8 tCO_{2e}/€ million (previous year: 236.4 tCO_{2e}/€ million).

Greenhouse gas removal and internal CO_{2e} pricing (E1-7, E1-8)

The HENSOLDT Group has no internal CO_{2e} pricing, no greenhouse gas removals and no projects to reduce greenhouse gases financed through CO_{2e} credits.

2.2 EU Taxonomy

Disclosures in accordance with Article 8 of Regulation 2020/852 of the European Parliament and the corresponding Delegated Regulations for fiscal year 2025:

For fiscal year 2025, the Taxonomy reporting was prepared taking into account Commission Delegated Regulations (EU) 2021/2178, (EU) 2021/2139 and (EU) 2023/2486 in the versions applicable on 31 December 2025.

The EU Taxonomy introduces a uniform and legally binding classification system that determines which economic activities are considered 'environmentally sustainable' if they meet specified technical screening criteria.

An economic activity is to be considered Taxonomy-eligible if it is described in the delegated acts for one of the six environmental objectives²³, regardless of whether this economic activity fulfils the technical screening criteria specified in these delegated acts. In order to be recognised as Taxonomy-aligned, the economic activity must make a significant contribution to one of the six environmental objectives and, at the same time, the activity must not significantly harm any other environmental objective (Do no significant harm: DNSH). In addition, the minimum safeguards must be met.

When drafting the Regulation, the European Commission focused primarily on greenhouse gas-emitting sectors and industries and identified possible relevant economic activities from this. Like many other sectors, the defence industry and its core business are not covered by the scope of the EU Taxonomy, meaning that HENSOLDT is primarily involved in activities that are not covered by the EU Taxonomy's area of application for the first two environmental objectives. Likewise, in connection with the four other environmental objectives in the "Environmental Delegated Act", no Taxonomy-eligible economic activities were identified that apply to HENSOLDT. In addition, HENSOLDT does not operate in the energy sector, which means that its rules do not apply.

Accordingly, the information on the first template of Delegated Regulation (EU) 2022/1214 regarding activities in the areas of nuclear energy and fossil gas is as follows; the information on templates 2-5 is omitted:

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

²³ Climate Change Mitigation, Climate Change Adaptation, Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems.

In the fiscal year, the economic activities in Annex I (Significant contribution to climate change mitigation) and Annex II (Significant contribution to climate change adaptation) of Delegated Regulation (EU) 2021/2139 and Annexes I to IV (Significant contribution to the remaining four environmental objectives) of Delegated Regulation (EU) 2023/2486 and any resulting turnover as well as capital expenditure (CapEx) and operating expenses (OpEx) were analysed and assessed to determine which portions could be classified as Taxonomy-eligible or Taxonomy-aligned. The EU Taxonomy concept developed in previous years is implemented consistently throughout the Group. Double counting is avoided by clearly allocating Taxonomy-eligible or Taxonomy-aligned turnover, capital expenditure and operating expenses to only one economic activity in accordance with the EU Taxonomy. The technical screening criteria, which determine whether an economic activity makes a significant contribution to an environmental objective and whether significant harm to one of the other environmental objectives is avoided (DNSH), were applied to all Taxonomy-eligible activities either on the basis of the technical characteristics of individual assets or based on national laws. A detailed climate risk analysis was also performed for all assets designated as taxonomy-aligned in connection with the DNSH-assessment. In the analysis, the existence of insurance against natural hazards was listed as an adaptation solution for the identified climate risks in each case.

In addition, compliance with the minimum safeguards in accordance with the OECD Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights, ILO core labour standards and the International Bill of Human Rights was verified in relation to the individual business activities. This review covered the areas of “human rights” (including “workers’ rights”), “combating bribery, solicitation and extortion”, “science, technology and innovation”, “taxation” and “fair competition”. The requirements profile of the minimum safeguard frameworks was analysed and compared with internal documents – including the Code of Conduct for the company and suppliers, work instructions and guidelines for export control, anti-corruption, compliance and whistleblower system – to ensure that the requirements profile is fully covered in these. Risk analyses were carried out with regard to the minimum safeguard topics at Group level and appropriate actions were developed. In the case of reports concerning minimum safeguard issues via the whistleblower system, these are followed up in the same way as any other report (refer to section [“V.4.1 Business conduct”](#) for details). For the areas of “human rights” (including “workers’ rights”), “combating bribery, solicitation and extortion”, and “science, technology and innovation”, a human rights due diligence (HRDD) process with six defined process steps has been fully implemented and, in all material respects, is in line with the substantive requirements of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises at Group level.

As a specialised provider of sensor solutions in the area of products and services, the current scope of application of the EU Taxonomy only applies in a limited capacity to HENSOLDT. The range of services mainly comprises customer-specific development services and the customised manufacture of components according to the relevant area of deployment. The products are not designed for industrial or private end-consumers, which means that the economic activities listed in connection with a transition to a circular economy do not apply to HENSOLDT.

In line with the current status of the Delegated Acts, no relevant economic activities are identified with regard to turnover. Therefore, no Taxonomy-eligible and thus no Taxonomy-aligned turnover was identified. Turnover recognised as non-Taxonomy-eligible can be found in the consolidated income statement.

For the turnover KPI, the scope of Taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	–%	–%
Climate Change Adaptation (CCA)	–%	–%
Water and Marine Resources (WTR)	–%	–%
Circular Economy (CE)	–%	–%
Pollution Prevention and Control (PPC)	–%	–%
Biodiversity and Ecosystems (BIO)	–%	–%

Taxonomy-eligible investments (CapEx) are primarily based on “internal” activities in connection with the leasing of sites and the decarbonisation of the company vehicle fleet, which is partly classified as Taxonomy-aligned.

Total capital expenditure (CapEx KPI denominator) is based on additions to property, plant and equipment and intangible assets in accordance with IAS 16, IAS 38 and IFRS 16 during the fiscal year before depreciation, amortisation and revaluations. These are disclosed in the statement of movements in fixed assets.

The amounts used to calculate the Taxonomy-eligible or Taxonomy-aligned capital expenditure are based on the figures reported in the Consolidated Financial Statements. The data used to determine the KPIs was always obtained directly and immediately from the financial accounting without an allocation key or proportional calculation using data deductions

and analyses. The existing leasing tool was used to determine the IFRS 16 initial recognition amounts. The numerator of the CapEx KPI results from analysing the assets or processes associated with the amounts recognised in the denominator with regard to their Taxonomy eligibility or Taxonomy alignment. Based on the additions to property, plant and equipment and intangible assets, the Taxonomy eligibility and alignment were analysed and compared with the defined economic activities of the EU Taxonomy.

New lease agreements for buildings under the activity “Acquisition and ownership of buildings” (CCM 7.7.) from capitalised right-of-use assets in the amount of €27 million were shown as Taxonomy-eligible investments. In addition, company cars newly leased in the fiscal year were recognised under the activity ‘Transport by motorbikes, passenger cars and (light) commercial vehicles’ (CCM 6.5.) as Taxonomy-eligible but not Taxonomy-aligned investments in the amount of €3 million from capitalised right-of-use assets.

The capitalised right-of-use asset for the construction of a new building at the Oberkochen site totalling €176 million is reported as Taxonomy-aligned CapEx under the activity “Acquisition and ownership of buildings” (CCM 7.7.). To this end, all technical screening criteria relating to primary energy demand, air-tightness, thermal integrity, life-cycle Global Warming Potential (GWP) and the energy performance monitoring and assessment of the heating, ventilation and air-conditioning systems were met. To meet the criteria of airtightness and thermal integrity, a robust quality control procedure was used for the entire building during the construction process.

Beyond that, Taxonomy-aligned investments (CapEx) in the past fiscal year resulted from capitalised right-of-use assets for passenger cars, which are reported at €0.4 million for electric vehicles and €0.2 million for hybrid vehicles under the activity “Transport by motorbikes, passenger cars and (light) commercial vehicles” (CCM 6.5.). The vehicles designated as Taxonomy-aligned each meet the requirements with regard to specific carbon emissions of under 50 g CO₂/km and the emissions of light commercial vehicles in accordance with Euro VI, the requirements for tyres concerning rolling noise and rolling resistance coefficients, as well as the requirements with regard to reusability, recyclability and recoverability. The technical screening criteria are thus considered as fulfilled.

Compared to the previous period, there were no major changes in Taxonomy-aligned investments (CapEx) from the activity “Transport by motorbikes, passenger cars and (light) commercial vehicles” (CCM 6.5.) in this reporting period, as the ratio to total CapEx has hardly changed. The Taxonomy-eligible proportion of total CapEx for this activity is virtually unchanged.

As in the previous fiscal year, this activity is reported under “Acquisition and ownership of buildings” (CCM 7.7.) in this fiscal year. The Taxonomy-eligible proportion of total CapEx for this activity has halved compared to the previous period.

For the CapEx KPI, the scope of Taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	42.7%	49.9%
Climate Change Adaptation (CCA)	–%	–%
Water and Marine Resources (WTR)	–%	–%
Circular Economy (CE)	–%	–%
Pollution Prevention and Control (PPC)	–%	–%
Biodiversity and Ecosystems (BIO)	–%	–%

There were no Taxonomy-aligned operating expenses (OpEx) in the fiscal year, only Taxonomy-eligible operating expenses. These are based on building maintenance costs under the activity “Acquisition and ownership of buildings” (CCM 7.7.). During the reporting period, there was a decrease in Taxonomy-eligible operating expenses compared with the previous period, both in absolute terms and as a share of total OpEx.

The total operating expenses basis (denominator of the OpEx KPI) comprises direct, non-capitalised costs relating to research and development, building renovation measures, short-term leasing, maintenance and repair, as well as expenses that are necessary to ensure the continued and effective functioning of Taxonomy-eligible assets.

The amounts used to calculate the Taxonomy-eligible or Taxonomy-aligned operating expenses are based on the figures reported in the Consolidated Financial Statements.

For the OpEx KPI, the scope of Taxonomy eligibility and alignment per environmental objective is as follows:

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation (CCM)	0.0%	9.9%
Climate Change Adaptation (CCA)	-%	-%
Water and Marine Resources (WTR)	-%	-%
Circular Economy (CE)	-%	-%
Pollution Prevention and Control (PPC)	-%	-%
Biodiversity and Ecosystems (BIO)	-%	-%

Overall, the following KPIs are applicable for the fiscal year 2025:

EU Taxonomy 2025

Turnover																			
Fiscal year 2025				Substantial contribution criteria						DNSH criteria ("Does No Significant Harm")									
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		t €	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	-%	-%	-%	-%	-%	-%								0.0%		
Of which enabling		0	0.0%	-%	-%	-%	-%	-%	-%								0.0%	E	
Of which transitional		0	0.0%	-%													0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0.0%	-%	-%	-%	-%	-%	-%								0.0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		0	0.0%	-%	-%	-%	-%	-%	-%								0.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		2,454,982	100.0%																
Total		2,454,982	100.0%																

- (a) The Code represents the abbreviation of the relevant objective towards which the economic activity can make a significant contribution and the number of the section of the activity in the relevant Appendix covering the objective, i.e.
 - Climate Change Mitigation: CCM
 - Climate Change Adaptation: CCA
 - Water and Marine Resources: WTR
 - Circular Economy: CE
 - Pollution Prevention and Control: PPC
 - Biodiversity and Ecosystems: BIO
- (b) Y - Yes, activity that is Taxonomy-eligible and Taxonomy-aligned with the relevant environmental objective
 N - No, activity that is Taxonomy-eligible but non-Taxonomy-aligned with the relevant environmental objective
 N/EL - 'not eligible', activity that is non-Taxonomy-eligible for the relevant environmental objective
- (c) EL - activity that is Taxonomy-eligible for the relevant objective
 N/EL - activity that is non-Taxonomy-eligible for the relevant objective

CAPEX																			
Fiscal year 2025				Substantial contribution criteria						DNSH criteria ("Does No Significant Harm")									
Economic activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		t €	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	394	0.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	174	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%		T
Acquisition and ownership of buildings	CCM 7.7.	175,901	42.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.9%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		176,469	42.7%	42.7%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	Y	3.0%		
Of which enabling		0	0.0%	-%	-%	-%	-%	-%	-%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which transitional		174	0.0%	0.0%						Y	Y	Y	Y	Y	Y	Y	0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	2,660	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.5%		
Acquisition and ownership of buildings	CCM 7.7.	26,842	6.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								12.8%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29,502	7.1%	7.1%	-%	-%	-%	-%	-%								13.3%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		205,971	49.9%	49.9%	-%	-%	-%	-%	-%								16.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		206,923	50.1%																
Total		412,894	100.0%																

(a) The Code represents the abbreviation of the relevant objective towards which the economic activity can make a significant contribution and the number of the section of the activity in the relevant Appendix covering the objective, i.e.

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

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

(c) EL - activity that is Taxonomy-eligible for the relevant objective
 N/EL - activity that is non-Taxonomy-eligible for the relevant objective

OPEX																			
Fiscal year 2025				Substantial contribution criteria						DNSH criteria ("Does No Significant Harm")									
Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2025 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year 2024 (18)	Category enabling activity (19)	Category transitional activity (20)
		t €	%	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y; N; N/EL (b)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%		
Of which enabling		0	0.0%	–%	–%	–%	–%	–%	–%								0.0%	E	
Of which transitional		0	0.0%	–%													0.0%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)	EL; N/EL (c)										
Acquisition and ownership of buildings	CCM 7.7.	5,655	9.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								13.8%		
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5,655	9.9%	9.9%	–%	–%	–%	–%	–%								13.8%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		5,655	9.9%	9.9%	–%	–%	–%	–%	–%								13.8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		51,681	90.1%																
Total		57,336	100.0%																

(a) The Code represents the abbreviation of the relevant objective towards which the economic activity can make a significant contribution and the number of the section of the activity in the relevant Appendix covering the objective, i.e.

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

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

(c) EL - activity that is Taxonomy-eligible for the relevant environmental objective
 N/EL - activity that is Taxonomy-eligible for the relevant environmental objective

3 Social responsibility

3.1 Focus on the human element

At HENSOLDT, people are at the centre of activities and decisions. The overarching policies that are of importance for the subsequent sections are explained below.

HENSOLDT regards responsibility as a wide-ranging commitment that is divided into three central strategic pillars:

- **Own workforce:** HENSOLDT strives to create a working environment marked by diversity, equal opportunities and inclusion. Employees are the most valuable asset for HENSOLDT. Continuous investment is therefore made in their development and well-being. This includes comprehensive training and development programmes, health and safety actions and work-life balance initiatives. HENSOLDT also fosters an open corporate culture which listens to and values everybody.
- **Suppliers:** HENSOLDT is strongly committed to working closely with suppliers to ensure that ethical, environmental and social responsibility standards are maintained throughout the supply chain. HENSOLDT selects its partners carefully and expects them to share the HENSOLDT values and abide by the HENSOLDT compliance guidelines. Occasion-related audits and assessments help to check and continuously improve compliance with these standards.
- **Customer:** The protection and well-being of customers are at the centre of HENSOLDT's business strategy. HENSOLDT considers the needs and expectations of customers right from the product development and innovation stage, invests in customer-oriented innovations and focuses on sustainable product design.

3.2 The HENSOLDT Group Policy on human rights

Compliance with international obligations to protect human rights is a major priority for HENSOLDT. As a generally applicable set of rules, the HENSOLDT Code of Conduct reiterates HENSOLDT's commitment to respecting human rights within and outside the Group. The values and practices established at HENSOLDT consider internationally recognised standards, which are set out in charters, declarations and guidelines, as well as the German Supply Chain Due Diligence Act (LkSG). HENSOLDT has also been a signatory to the UN Global Compact since 2021 and is thus committed to the principles of respecting and upholding human rights. The Group policy described below applies across the board in the area of social responsibility.

The HENSOLDT Group Human Rights Policy defines and details the Group-wide safeguarding of compliance with human rights and refers to the relevant international regulations such as the United Nations (UN) Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), and the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR). The Group policy contains mechanisms for implementation in this regard and provides approaches for recognising and combatting human rights violations. The Human Rights Policy contains an explicit ban on child and forced labour, slavery and human trafficking. It is supplemented by national regulations, such as the United Kingdom Modern Slavery Act. The Group policy covers all relevant divisions and areas whose responsibilities and activities involve potential risks of human rights violations and/or should be taken into account or assessed. These include HR (workers), Purchasing (suppliers), Compliance (business partners), the Sustainability department and the Human Rights Officer (General Counsel) throughout the Group. Application is also extended to the value chain and business partners via the Supplier Code of Conduct (refer to section ["V.3.4 Workers in the value chain"](#)).

The Human Rights Policy is supplemented by the HENSOLDT Policy Statement on Respect for Human Rights, which is consistent with the aforementioned details. The Group policy and the policy statement are made available to all workers via the intranet. External stakeholders can view them on the HENSOLDT website.

The Human Rights Policy and the Policy Statement on Respect for Human Rights are approved by the Management Board. A Human Rights Officer, supported by the Sustainability, Procurement, Human Resources and Compliance departments, monitors implementation of the processes and supports and advises on the further development of the guidelines and policies. The Human Rights Officer acts in an advisory capacity and is included in decision-making processes and reports to the Management Board on a regular basis, at least once a year. To raise awareness of human rights within its own company, HENSOLDT plans to introduce more in-depth training for its employees in fiscal year 2026. The training covers human rights by informing employees about the HENSOLDT Group's Human Rights Policy, covering compliance with the policy and how to report possible violations of it.

The whistleblower system Speak Up, which replaced the former HENSOLDT OpenLine system in September 2025, is the central system available for all reporting parties both internal and external, to report actual or potential violations of legal or internal rules and regulations. Parties can also report violations relating to human rights and environmental risks and breaches of duty. Further information on this whistleblower system can be found in section ["V.4.1 Business conduct"](#).

HENSOLDT expects its business partners to also comply with international human rights standards. This objective is reflected in the Supplier Code of Conduct, in the terms and conditions of purchase and in the due diligence activities. An IT-based digital platform is already in use for the reviewing and management of suppliers: regarding this, go to section ["V.3.4 Workers in the value chain"](#).

3.3 Own workforce (S1)

Strategic pillar: Own workforce²⁴

In line with the United Nations' goal "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all", (SDG No. 4) the strategic pillar "Own Workforce" focuses on equal opportunities, training and development for all workers worldwide.

Material impacts, risks and opportunities for own workforce and their interaction with strategy and business model (SBM-3)

HENSOLDT's workers are an essential part of the company. Without their commitment, expertise and innovative strength, success would be unthinkable. This is why the focus area "Own workforce" is not only a central component of HENSOLDT's corporate strategy, but is also reflected in its own strategic pillar. HENSOLDT aims to create a working environment that is not only safe and healthy, but also actively promotes diversity and inclusion. Central to this is the Group's commitment to creating a culture of appreciation and mutual respect. This means that material impacts, risks and opportunities related to the Group's own workforce interact directly with the strategy and business model. Any adjustments to the strategy or business model are always based on close consultation with workers.

HENSOLDT employs most of its employees on permanent contracts; a small number of employees are hired on a temporary basis (see section on "Employment"). In order to cover production peaks, a limited number of non-employees are also hired under labour leasing agreements. These are mainly temporary workers in Germany. The hiring of these workers takes place indirectly via the relevant HR service providers. These workers perform work that is comparable to that of other HENSOLDT employees.

The materiality assessment, and in particular the consultations with workers' representatives, were used to examine the extent to which employees who work in certain environments may be exposed to greater risk than others. With regard to occupational health and safety, workers in production may be at greater risk, and this was considered accordingly when developing targets, policies and actions. Furthermore, no activities involving any risk of forced or child labour were identified at the European sites or at the South African, the United Kingdom or Australian sites.

When the material topics were analysed, positive impacts on the company's own employees were identified, which are reflected in particular in adequate wages and comprehensive benefits, actions to ensure a good work-life balance, collective bargaining agreements and the existence of works councils in Germany, as well as the extensive range of training and skills development opportunities. Internal communication and having occupational health and safety mechanisms in place were also positively highlighted in the materiality assessment. Potential accidents at work and mental strain are the main material negative impacts on workers.

Risks for HENSOLDT relating to business performance are posed by the challenging situation in recruiting (skilled labour shortage) and the possible departure of qualified key staff. In addition, workforce absences due to illness or accidents can have a negative financial impact on HENSOLDT. Opportunities arise in particular through health management, training and further education programmes as well as implemented and consistently managed diversity programmes, which can enhance employer attractiveness, help reduce absenteeism and thereby increase efficiency and effectiveness.

As described in the Ecological responsibility section, HENSOLDT has ambitious climate targets and a matching transition plan. Possible impacts on the workforce in this regard were also analysed. From the actions taken here, no negative impacts on employees are anticipated.

²⁴ Below, the terms "own workforce" and "employees/workers of the company" are used synonymously.

Overview of policies and actions taken (S1-1) (S1-4)

The following sections describe policies, actions and targets with which HENSOLDT promotes positive impacts and opportunities and counteracts the described negative impacts and risks. In the overarching area of “Social”, the fundamental declaration on human rights or the corresponding corporate policy apply (See section [“V.3.2 The HENSOLDT Group Policy on human rights”](#)).

The procedures for involving the workforce, as well as existing collective bargaining agreements, agreements between workers representatives and the management or actions for adequate wages and work-life balance, strengthen the positive impacts in the area of working conditions. The Code of Conduct anchors the focus on employees, particularly the promotion of talent and diversity, the maintenance of open dialogue between employees at all levels, and occupational health and safety. This enhances the identified positive impacts in the areas of working conditions, equal treatment and equal opportunities, and addresses the identified opportunities and risks. Further details can be found in section [“V.4.1 Business conduct”](#) in the section “The HENSOLDT Code of Conduct”.

Through the occupational health management system (see section “Health & safety”), which is integrated into the existing management systems, including ISO 14001, measures to promote occupational safety and employees’ health are implemented. In this context, risks related to occupational accidents as well as work-related physical and psychological strain are addressed. The measures described, and in particular the modernisation of talent development (see section “Training and skills development at all stages of career and life”), pursue the objective of addressing identified risks in the area of recruiting and increasing employer attractiveness. Besides the “North Star” strategy described in the section [Goals and strategies](#), there are currently no policies and targets intended to counteract the risks in the area of recruiting.

In the following sections, the actions derived from these concepts will be explained in more detail and key figures will be reported. The funds required for implementing the actions will be included in the budget planning of the respective departments and the overall budget planning of the Group.

Targets in focus (S1-5)

Targets for fostering social responsibility serve in particular to focus on the topics of equal treatment, equal opportunities and wellbeing of the Company’s own workforce thus also to increase employer attractiveness. In its sustainability strategy, HENSOLDT sets targets to enhance the health, safety, development and inclusion of its own employees. In addition, it sets an LTI bonus relevant target in the area of social responsibility each year.

In fiscal year 2025, HENSOLDT set itself the LTI bonus related target of improving work-related well-being and leadership in the core countries where the HENSOLDT Group operates (Germany, France, United Kingdom, South Africa). Annual health surveys (health checks including questions on leadership behaviour and how leadership is experienced) are intended to allow progress to be measured. Starting from a reference year of 2024 with a rating of 66%, HENSOLDT has set itself the target of achieving 70% in 2028.

In fiscal year 2024, HENSOLDT set itself the LTI bonus related target of creating a proportion of 32.0% women in the management team (defined as the Management Board, Executive Committee, Executives and Senior Managers)²⁵ by 2027. Interim targets were set for a proportion of women in the management team of 27.5% by 2025 and of 30.0% by 2026. In the reference year 2024, the proportion of women in the management team was 25.4% and 25.1% in fiscal year 2025. The planned target of 27.5% was not achieved. The proportion of women is measured as the percentage of female colleagues within the management team relative to the total number of people on the management team.

In order to strengthen equal treatment and equal opportunities within the company, HENSOLDT has set itself an inclusion target for 2025 in addition to its diversity target. By 2030, HENSOLDT wants to increase the share of people with disabilities in its workforce, based on country-specific guidelines and recommendations. In Germany, France and South Africa, an increase to 5.0%, 6.0% and 2.0% respectively is planned by 2030. In the reference year 2025, the share of people with disabilities amounted to 2.2%, 4.4% and 1.1%. Further information can be found in the “Diversity & inclusion” section.

HENSOLDT has set itself the target of further strengthening employee training and development in the financial year 2026 by offering a comprehensive range of training activities. As part of this commitment, the company aims to achieve an average of 21 training hours per employee. The reference value of 19 training hours per employee, as well as further information, can be found in the “Training and skills development at all stages of career and life” section.

In the area of health and safety, HENSOLDT has set itself the target of achieving a lost time injury frequency rate (LTIFR) of 2.15 and an accident rate (IFR) of 5.15 in 2026. In the reference year 2025, HENSOLDT recorded a “Lost

²⁵In fiscal year 2025, the definition of the management team was adjusted (see section “Diversity & inclusion”). This change does not apply to the LTI bonus related target defined in 2024.

time injury frequency rate” of 4.05 and an accident rate of 7.07. Further background information is provided in the “Health & safety” section.

The sustainability strategy and sustainability-related actions and targets are defined by the Sustainability department in coordination with the relevant specialist departments in annual expert dialogue sessions and are approved by the Management Board as part of the annual cyclical strategy process. In the process, the views of the stakeholders and the results of the materiality assessment were considered accordingly. HENSOLDT has not set a specific targets with regard to the positive impacts of adequate remuneration, secure employment and special protection agreements for employees.

The effectiveness of the actions and targets outlined in this section is monitored by the Sustainability department. It maintains close communication with relevant departments and contacts, as well as the international sustainability team, which meets once or twice a month. Starting in the second quarter of fiscal year 2025, quarterly strategy meetings were held for the first time to analyse target achievement and actions. The focus of these meetings is to assess the effectiveness of the actions through discussion and exchange with the departments. The results of target achievement were presented and discussed in the Sustainability Committee.

Processes for engaging with own workforce and workers’ representatives about impacts (S1-2)

Direct dialogue with employees

The direct dialogue and exchange with employees is very important to HENSOLDT. Our workers can communicate their interests directly with their managers at any time. The company welfare advice service, which is available at the German locations and can be contacted for individual consultation at any time, offers information, guidance counselling and cooperative conflict resolution for employees, managers and functionaries in their professional and private lives. The effectiveness of the dialogue with the employees is reviewed and managed through regular development meetings and 180-degree feedback between employees and managers.

Through the intranet, the employee magazine, social media channels, or at works meetings, HENSOLDT employees can engage in active dialogue with the Group’s management and employee representatives. At German locations with works councils, works meetings and departmental meetings convened by the works council generally take place every three months and are actively supported by the employer. Similar events are held at comparable intervals and in a similar format at international locations. In South Africa, employees can connect with the managing directors of the individual HENSOLDT business units and receive updates on current developments at monthly “Connect Sessions” and “Sharing and Caring Sessions.”

Furthermore, in fiscal year 2025, SoundBox Meetings were held for the first time to facilitate a structured exchange between employees and the highest management level. Spokespersons were appointed in each business unit to gather feedback from their teams and discuss it with the Management Board. The results were then further developed in collaboration with the respective Division Heads and translated into prioritized actions. The insights gained were systematically evaluated and integrated into the Culture Evolution initiative. They revealed key areas for cultural action and informed both the definition of the new Core Values and the development of further implementation formats – including Culture Camps and Reverse Sounding Boards. Culture Camps are workshops with the departments to further implement the Core Values, while Reverse Sounding Boards serve to bring in topics from the management side.

In addition, topic-specific working groups were established in the Business Units to address identified priorities in a structured manner. Responsibility lies with the Head of People & Organizational Development.

Participation rights of workers

A key element of employee engagement at HENSOLDT is putting own workforce participation, including co-determination, into practice. The works councils at the German sites²⁶ and the workers’ representatives at sites in France²⁷ represent the interests of the workforce. Trust-based cooperation between HENSOLDT and the individual works council committees and employee representatives ensures compliance with applicable laws, regulations, works agreements and/or collective bargaining agreements.

In Germany, the works council holds extensive information rights, co-determination rights and the right to organise works meetings or consultation appointments. Company and works agreements of all kinds (cross-company, company- and

²⁶ Excluded are employees of HENSOLDT Cyber GmbH, ESG Consulting, as well as senior employees and managing directors of individual subsidiaries of the HENSOLDT Group.

²⁷ Employees of HENSOLDT Space Consulting S.A.S. are excluded.

location-specific) and collective bargaining agreements are supported by HENSOLDT. Works or departmental meetings organised by the works council are held at least every quarter. Once reviewed, specified matters or identified actions are then included in the HR and corporate strategy. HENSOLDT provides the appropriate personnel and financial resources and funding for the work of the workers' representatives. The effective engagement of the workers' representatives is ensured through regular dialogue as well as the publication on the intranet of the outcomes and actions taken. In South Africa, the monthly Connect Sessions offer employees the opportunity to exchange ideas directly with management. Employee participation in the HENSOLDT Group depends on the specific location or company.

The Policy Statement on Respect for Human Rights (section ["V.3.2 The HENSOLDT Group Policy on human rights"](#)) is supported and endorsed by the workers' representatives.

Channels for reporting and filing complaints (S1-3) and incidents (S1-17)

Reporting options

An essential part of the corporate culture is the HENSOLDT Code of Conduct which encourages all workers to communicate openly. As well as directly addressing managers and colleagues, the HENSOLDT Speak Up whistleblower system provides a platform that allows potential suspected cases to be reported 24/7 on the website and anonymously to an external lawyer ("ombudsman"). A standardised process is established for handling incoming reports and identified incidents are evaluated in a structured manner. Appropriate remedial actions will be addressed where necessary. The implementation of remedial actions is documented and, where appropriate, followed up in order to assess their effectiveness and to prevent a recurrence of similar incidents. Further details can be found in section ["V.4.1 Business conduct"](#). Additionally, the works council, workers' representatives or other representatives are available to receive reports and complaints, depending on the site and country. For more on this subject, see the section "Processes for engaging with own workforce and workers' representatives about impacts".

Reported incidents of discrimination including harassment

For the reporting period, the number of reported suspected cases of discrimination based on gender, race, ethnic origin, nationality, religion, belief, disability, age, sexual orientation or other reasons is 26 (previous year: 8). In addition, 19 (previous year: 25) complaints were received. As in the previous year, none of the aforementioned or any other incidents resulted in a fine, sanction or compensation payment. There were no reports of human rights violations related to HENSOLDT employees during the reporting period, nor in the previous reporting period.

Employment (S1-6, S1-7)

Metrics

In fiscal year 2025 the total number of employees was 9,193 (previous year: 8,409) (see [Note 31](#)). 81.7% (previous year: 78.7%) of employees work at sites in Germany, followed by 7.9% (previous year: 9.3%) in South Africa and 7.7% (previous year: 8.9%) in France. In total, 816 (previous year: 698) employees left the company, resulting in employee turnover of 8.9% (previous year: 8.3%).

	Fiscal year	
	2025	2024
Employees by gender¹	9,193	8,409
Female	2,190	2,024
Male	7,001	6,383
Other	2	2
Not disclosed	–	0
Employees by country (representing > 10% of the total number)	9,193	8,409
Germany	7,506	6,616

Employees by employment category	9,193	8,409
Permanent employees²	8,301	7,569
of which female	1,976	1,819
of which male	6,324	5,748
of which other	1	2
of which not disclosed	–	0
Non-permanent employees³	892	841
of which female	214	205
of which male	677	635
of which other	1	–
of which not disclosed	–	–
Full-time employees⁴	8,131	7,553
of which female	1,652	1,561
of which male	6,478	5,991
of which other	1	1
of which not disclosed	–	0
Part-time employees⁵	1,062	856
of which female	538	464
of which male	523	392
of which other	1	1
of which not disclosed	–	–

¹ The number of employees is measured in person counts and calculated as the average of the final figures for each quarter. All individuals with permanent or temporary employment contracts are considered employees.

² Employees with permanent contracts: regular employees, seconded employees, transferred and assigned employees, as well as individual employees on a marginal part-time contract.

³ Employees with non-permanent contracts: regular employees who have a fixed-term contract, employees on partial retirement, working students, employees in marginal part-time, trainees and interns.

⁴ >= 1.00 FTE

⁵ < 1.00 FTE

Employee and non-employee data is recorded using an integrated IT-based HR tool. The number of employees is calculated using the same method as for financial reporting. Employee turnover is calculated by dividing the total number of employees who leave the company voluntarily or because they are dismissed, retire or die during the fiscal year by the total number of employees calculated above. HENSOLDT has no non-guaranteed hours employees.

The average number of non-employees (headcount) employed under labour leasing agreements in the reporting period 2025 was 208 (previous year: 146).

Remuneration (S1-8, S1-10, S1-16)

Collective bargaining coverage and social dialogue

HENSOLDT emphatically supports freedom of association and the right to collective bargaining: the right of employees to join or form a trade union is fully respected. In addition, HENSOLDT promotes dialogue with and involvement in such associations. All employees receive an adequate wage in accordance with the applicable benchmarks. HENSOLDT uses the statutory and collectively agreed minimum wages in the respective countries as a benchmark. If these are not

defined, HENSOLDT uses procedures derived from the ESRS standard. To verify compliance with adequate wage standards, the lowest wage at the sites was compared with the benchmark values applicable in the respective countries.

Remuneration metrics

HENSOLDT regards it as self-evident that collective bargaining agreements and remuneration principles must be non-discriminatory, particularly with regard to gender, and that there are no systematic differences. In the companies covered by collective bargaining agreements, the respective collective pay agreements are applied. In the reporting year, there was a gender pay gap of 12.2% (previous year: 11.5%), calculated as the difference between the average pay level of female and male employees, expressed as a percentage of the average pay level of male employees. The basis for the calculation is the gross hourly wage. This is calculated as the annual total remuneration of each employee divided by the nominal working time. Excluded from the calculation are employees who have no nominal working time in 2025.

The annual total remuneration of the highest-paid individual in the organisation is 17 times (previous year: 23 times) the median annual total remuneration of all employees (excluding the highest-paid person). The information on the median total annual remuneration of all employees is calculated from the annual total remuneration. The data for the calculation is obtained from an IT-supported HR tool and represents the annual total remuneration used to calculate the gender pay gap. This includes the basic salary, cash benefits, benefits in kind and all forms of direct remuneration such as long-term incentives at current fair value.

In addition, 59.4% (previous year: 60.1%) of employees are covered by collective bargaining agreements. This percentage is calculated by dividing the number of employees covered by the collective bargaining agreement by the total number of employees. The percentage for social dialogue is calculated by dividing the number of employees covered by an employee representative by the total number of employees. The table below presents the collective bargaining coverage and the coverage for social dialogue in countries with more than 10% of total employees. The coverage rates remain unchanged in fiscal year 2025 compared to the previous year.

.....

Fiscal year 2025			
	Collective Bargaining Coverage ¹		Social dialogue ²
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
60 - 79%	Germany		
80 - 100%			Germany

¹ The number of employees is measured in terms of headcount and calculated as an average of the final figures for each quarter.

² Final figures as of 31 December 2025, in headcount.

Diversity & inclusion (S1-9, S1-12)

Diversity management

HENSOLDT views diversity management as a strategic responsibility and establishes structures and practices that create equal opportunities. The benefits of diversity should be maximised regardless of gender, nationality, sexual orientation, religion and culture. Particular emphasis is placed on promoting female managers, inclusion and international diversity. In an inclusive working environment, uniqueness fosters creativity, ingenuity and motivation. As of the fiscal year 2024, HENSOLDT signed the Diversity Charter and is therefore committed to providing a respectful and prejudice-free working environment. By signing the agreement, HENSOLDT undertakes, among other things, to implement actions to promote diversity and equal opportunities, to foster an open, diverse and inclusive corporate culture, and to actively create an inclusive working environment. Diversity management is part of the Code of Conduct (See section "[V.4.1 Business conduct](#)").

HENSOLDT is also a member of the UN Global Compact and the "Initiative Chef:innensache" network. The Chef:innensache initiative is a network of executives committed to equal opportunities for women and men, and which, by serving as role models, supports the necessary social change with new concepts and approaches.

Actions

Training sessions on the topic of unconscious bias were offered throughout the Group in the 2025 fiscal year and made compulsory for senior managers. An unbiased hiring and recruiting process is also to be established throughout the Group by 2027. As part of this, the provisions of the German Security Inspection Act applicable to HENSOLDT must be taken into account.

In addition, the topic of diversity and inclusion is strengthened through various formats. Regular blog posts on the Culture Movement Teams channel and internationally coordinated campaigns involving cross-border collaboration promote initiatives for integration and diversity. Furthermore, an international event for International Women's Day (IWD) is planned for the 2026 fiscal year.

Metrics

The gender distribution by percentage share (and number) at the highest management level (top management) in the reporting period was 24.4% (13 women, 40 men) (previous year²⁸: 25.4% (48 women and 141 men)). The former management team was redefined in 2025 and now consists of the Group Executive Management Board, Group Executive Committee, Group Management Committee and Executives. In the reporting year, the definition of top management was deliberately refined and the group of individuals included was reduced in order to align the management structure more clearly and with a stronger focus. This adjustment does not have a material impact on the percentage of women.

In fiscal year 2025, 2.6% of HENSOLDT's own workforce consisted of persons with disabilities. Due to legal restrictions, HENSOLDT locations in Canada and USA could not be included. To calculate the percentage of persons with disabilities within the company, the total number of employees was reduced by the number of employees in the countries with legal restrictions. Data collection is based on legal country-specific regulations and definitions.

The breakdown of employees by age group is presented in the table below.

	Fiscal year	
	2025	2024
Distribution of employees by age group (in number of people)		
below 30 years	17.5%	17.3%
between 30 and 50 years	50.5%	49.6%
above 50 years	32.0%	33.2%

Work-life balance (S1-15)

In an age of rapid change in the world of work, work-life balance is becoming a key factor for sustainable corporate development. The ability to balance the demands of work and private life is not only crucial for the satisfaction and health of employees, but also for the productivity and innovative strength of the company.

Actions

HENSOLDT is actively committed to creating flexible working models and support actions that meet the diverse needs of the workforce. Where the work of individual employees at HENSOLDT permits, working hours can be organised using flexitime models, part-time models or mobile working. In some company divisions at the German sites, early retirement can be facilitated for employees by setting up a lifetime working time account. Employees in Germany also have the option of extending their statutory parental leave by taking company parental leave. In fiscal year 2026, additional offers to provide support for family or private situations of HENSOLDT employees will also be evaluated and incentivised.

Metrics

²⁸ Due to the different definition of top management (previous year: management team), the previous year's figures do not represent a direct basis for comparison. In fiscal year 2024, the management team was defined as the Management Board, Executive Committee, Executives and Senior Managers.

99.6% of HENSOLDT employees were entitled to take family-related leave in fiscal year 2025. Utilisation of this leave was made by 4.4% of entitled employees. Family-related leave includes maternity leave, paternity leave, parental leave, and carer's leave. Employees at HENSOLDT locations outside the EU must meet country-specific legal requirements to be entitled for family-related leave. This entitlement was verified and documented for employees during data collection. Employees in the USA and Singapore are not entitled to all types of family-related leave.

The table shown displays the percentage of entitled employees by gender, as well as the percentage of entitled employees that took family-related leave.

	Fiscal year
	2025
Percentage of employees entitled to take family-related leave	99.6%
thereof female	99.5%
thereof male	99.7%
thereof other	50.0%
thereof not disclosed	—%
Percentage of entitled employees that took family-related leave	4.4%
thereof female	8.2%
thereof male	3.3%
thereof other	—%
thereof not disclosed	—%

Human potential

Training and skills development at all stages of career and life (S1-13)

The ongoing training, skill development and education of employees and the targeted fostering of talent are a core element of HENSOLDT's corporate strategy and culture. They are implemented through internal development programmes and the HENSOLDT Learning Space, formerly HENSOLDT Academy, which offers a modern portfolio aligned with the further development needs of the specialist departments. This enables HENSOLDT to support its long-term positioning in the competition for talent. Alongside this, the training programme improves employees' professional and interdisciplinary skills and boosts their satisfaction and motivation. Specialists from the field Learning & Development look after the national and international training and development of HENSOLDT employees.

Actions

In fiscal year 2025, HENSOLDT made the modernisation of its talent development a strategic priority. The talent identification process has already been fully digitalised, and talent identification and succession planning are also set to be standardised globally, digitalised and integrated into the HR cycle in 2026. These measures will assist in establishing a robust talent pipeline and ensuring that key positions are filled systematically, thereby securing sustainable growth.

HENSOLDT's training offering includes training and skill development formats such as face-to-face sessions, virtual live training and e-learning and has been implemented since 2017. The "HENSOLDT Learning Space" platform pools over 615 training programmes in a central hub for personal continuing development and training and is supplemented by local offerings. The training content on offer is constantly being developed. Current market trends and new topics are also integrated. For example, new courses on data science & AI have been added in recent years, a modular training for engineers in charge of projects has been revamped and a blended learning offering for language training has been put together. In addition to formal training and skill development programmes, HENSOLDT has created the framework for monthly cross-departmental exchange opportunities across the Group. Through professional and personal exchange, cross-departmental collaboration is strengthened. Predefined career development meetings are held twice a year between employees and managers to discuss personal development and the subject of further development.

HENSOLDT Learning Space e-learning courses are available to all employees worldwide as of 2025, due to the successful addition of HENSOLDT Nexeya France and HENSOLDT Nexeya Canada to the current system in 2025.

Face-to-face training is coordinated locally in the respective countries or at sites. Employees' specific training needs are agreed individually with their managers. Networking events are organised at regional, national and international level and are intended to promote international exchange among employees.

The number of training hours per employee is evaluated on a quarterly basis and the findings are taken into account in HR development. Continuous improvements are made to training programme quality. Feedback is gathered from participating employees, analysed and the training courses and formats adapted accordingly. Internal experts are involved in developing new training courses to ensure that the formats reflect requirements. New digital learning formats make it possible to step up self-directed learning.

Metrics

	Fiscal year	
	2025	2024
Average number of training hours per employee	19	21
thereof female	17	23
thereof male	19	20
thereof other	–	–
thereof not disclosed	–	9

HENSOLDT defines training as initiatives designed to maintain and/or improve the skills and knowledge of its employees. It always follows a well-defined written learning plan with clear objectives and timelines, usually set by a trainer (experts). Participants can then assess the training methodically. The training must be finalised or recorded by the HENSOLDT learning management systems or a local equivalent.

Health & safety (S1-14)

Health management

HENSOLDT makes the health and safety of its employees a core component of its corporate culture. Under the guiding principle of "Detect and Protect", HENSOLDT is continually dedicated to creating a healthy and safe working environment. Occupational health management supports HENSOLDT employees in dealing responsibly with their health and also helps to prevent accidents at work. The policy applies to all HENSOLDT Group sites in all countries. The comprehensive offering in the form of presentations, screenings and workshops is designed to incentivise employees to engage with the topic. The well-being of employees at the workplace, the reduction of accidents, stress and mental strain as well as the development of a global safety culture are key themes that the HSE (Health, Safety and Environment) department is actively promoting in all countries in coordination with the Management Board. The aim is to create a healthy and safe working environment by minimising the accident rate and the accompanying Lost Time Injury Frequency Rate (LTIFR) and promoting the physical and mental well-being of employees. Health management is complemented by inspections, internal audits and HSE Awareness Days, which are organised by the HSE department at the individual sites. In addition, training courses are provided, for example on handling hazardous substances, coordinating external companies and what to do in the event of a fire or emergency. The central HSE department of the HENSOLDT Group is responsible for implementing the health management policy. This department reports directly to the Management Board (Chief Human Resources Officer). HENSOLDT has an ISO 45001-certified management system for occupational health and safety in the workplace at the Sensors and Optronics companies. The certification is monitored annually and renewed every three years.

Actions

Health and Safety actions include medical screenings, ergonomic workplace improvements, and stress management and healthy lifestyle programmes, all available at locations in the core countries. In addition to preventative health checkups and health initiatives, employees at these locations are offered presentations on mental health in the workplace. Furthermore, the company's health management program conducts annual health surveys, which have been carried out since fiscal year 2025. Several new questions on leadership behaviour and experience have recently been

added. These actions actively promote the physical and mental health of all employees. Good leadership aims to foster trust and cohesion and contribute to employees feeling healthy and motivated.

The expansion of cooperation with a supra-regional provider of corporate fitness programmes (sports and wellness facilities) at the major locations²⁹, as well as the company's own fitness studio at the Ulm location, promote regular exercise and support a balanced work-life balance (see also section "Work-life balance").

Safety specialists and the safety officers active in the departments act as multipliers to establish a lived safety culture throughout the entire workforce. Every accident is analysed by the safety specialists. Furthermore, the causes of accidents are discussed in the occupational safety committee (OSC) meetings and site management meetings in order to define actions to prevent such accidents in the future.

Employees can report near misses via a reporting tool. This allows potential weaknesses to be identified early, accidents to be prevented, and consequently, employee safety to be continuously improved. In 2025, the employee reporting tool was extended to all German locations; previously, it was only available at the major German sites. Since fiscal year 2024, there has been a global HSE reporting channel through which accidents and emergencies can be reported promptly to the central HSE department of the HENSOLDT Group.

In the fiscal year 2026, HENSOLDT plans to identify further action to reduce work-related accidents and to promote their implementation.

Metrics³⁰

	Fiscal year	
	2025	2024
Coverage rate of management systems for health and safety	100.0%	100.0%
Accident rate (IFR per 1,000,000 working hours) ¹	7.07	5.50
LTIFR per 1,000,000 working hours ²	4.05	2.51
Number of recordable work-related accidents	96	70
Days lost to work-related injuries and fatalities related to work-related accidents, work-related ill health and fatalities related to ill health ³	810	414
Number of fatalities due to work-related injuries and work-related ill health ⁴	–	–

¹ The accident rate is calculated from the number of workplace accidents in relation to the number of hours worked.

² The number of workplace accidents resulting in at least one day of absence relative to hours worked (lost time injury frequency rate (LTIFR)) is a company-specific metric.

³ Days of absence are days on which the employee is absent due to an accident (including weekends and public holidays). The day on which the accident occurred is not counted as a day of absence. The maximum number of days to be recorded per accident is 180 days.

⁴ Including non-employees or workers in the value chain who are active at the company's locations.

A work-related accident is deemed to have occurred if a temporary event in the working environment with an external impact on the employee's body results in damage to the employee's health or their death. Commuting accidents are not considered work accidents. Work-related illnesses are not included in the reporting of the metrics, in line with the phased-in option for disclosure requirements. Work-related ill health (disease) is a health condition resulting from an employee's work duties or exposure to hazardous conditions or substances at work.

²⁹ HENSOLDT AG, HENSOLDT Holding Germany GmbH, HENSOLDT Sensors GmbH, HENSOLDT Optronics GmbH and ESG Elektroniksystem- und Logistik-GmbH, as well as at the Toulouse location.

³⁰ Calculation based on the number of persons and taking into account the company's own employees, unless otherwise stated.

3.4 Workers in the value chain (S2)

Alongside HENSOLDT's own workforce, value chain workers also play a central role in the Group's sustainable success, contributing to the business success along the entire value chain, for example in manufacturing semi-finished and finished products and providing components and services. It is therefore vital that HENSOLDT protects the working conditions and rights of these workers as well as those of its own workforce. For this reason, suppliers are also integrated as a strategic pillar in the sustainability strategy.

Strategic pillar: Suppliers

The goal of the United Nations titled "Reduced inequalities" (SDG no. 10) aims to strengthen and promote social, economic and political inclusion of all people. The "Suppliers" strategic pillar in the sustainability strategy highlights the importance of ensuring supplier management in line with internationally recognised standards.

Material impacts, risks and opportunities for value chain workers and their interaction with strategy and business model (SBM-3)

Value chain workers, as defined by the ESRS, are individuals who work within the company's value chain, regardless of whether they have a contractual relationship with the company. Value chain workers at HENSOLDT sites include, among others, repair, service, and logistics personnel, as well as cleaning and security staff and workers in canteens and cafes.

HENSOLDT maintains business relationships with a large number of suppliers for the production of its products. HENSOLDT places importance on stable, long-term business relationships with its suppliers. The approach to monitoring the upstream value chain ensures that ethical standards and working conditions are reviewed, thereby reducing potential reputational risks and penalties. This aims to prevent potentially negative impacts on working conditions and human rights within the value chain and to improve these conditions in the medium to long term.

The majority of direct suppliers are located in Germany and Europe. However, there is a lack of transparency regarding the geographical areas of suppliers at lower levels of the upstream value chain. Using the results of the supplier screening, the risk of forced and child labour was investigated, and no significant risk was identified. The findings of the supplier screening were also taken into account (see section "Processes for engaging with value chain workers about impacts"). At this stage, no assessment was carried out as to whether certain categories of workers in the value chain may be exposed to higher risks than others.

HENSOLDT's supplier management has a potentially positive impact on the working conditions of the value chain workers. Supplier management is explained in more detail in the "Actions" section. For the results of the materiality assessment and an overview of the identified impacts, risks and opportunities, see section ["V.1.4. Processes to identify and assess material impacts, risks and opportunities"](#).

The HENSOLDT Supplier Code of Conduct (S2-1)

The Supplier Code of Conduct is a key component of HENSOLDT's supplier management and considers the applicable laws and regulations of the countries in which respective suppliers operate, manage goods, conduct business or provide services. HENSOLDT expects all its suppliers to commit to responsible business practices and sustainable development. While HENSOLDT acknowledges differences in cultures and legal requirements, HENSOLDT requires as a minimum standard that regardless of where suppliers are located, all business is conducted in a manner that aligns with the Supplier Code. Part 1 of the Code is based on and aligned with the Supplier Code of Conduct of the International Forum on Business Ethical Conduct for the Aerospace and Defence Industry (IFBEC). Part 2 incorporates the specific requirements of the German Supply Chain Due Diligence Act (LkSG). Part 3 regulates general obligations and the consequences of non-compliance.

The general content of the Code covers compliance with laws, anti-bribery and anti-corruption, adherence to global trade regulations and an ethics programme that requires suppliers to introduce and adhere to their own code of conduct. Additionally, effective programs should be maintained to encourage their employees to make ethical, value-guided decisions in their business dealings. The Code also specifies rules for protecting information, paying taxes, on-time payment of suppliers, proper accounting and HENSOLDT's expectation of suppliers to actively manage risks themselves. As a signatory to the United Nations Global Compact, HENSOLDT supports the fundamental values stated in the Compact regarding human rights, labour rights and environmental protection, which is why this content is also covered by the Code. The Supplier Code of Conduct also includes the international rules and conventions of the OECD and the International Labour Organisation (ILO) and therefore also the labour rights of workers. The Code is supplemented by national regulations, such as the United Kingdom Modern Slavery Act 2015, and expressly prohibits

forced labour, child labour, discrimination and human trafficking. (See also section ["V.3.2 The HENSOLDT Group Policy on human rights"](#).)

Compliance with the Supplier Code of Conduct is mandatory for any business relationship with HENSOLDT. The Supplier Code of Conduct is embedded in all orders and contracts and applies to all HENSOLDT suppliers, service providers and subcontractors, wherever they are located. It covers the entire supply chain and the workers in it, as the Code requires suppliers to communicate the principles and expectations along the supply chain and to ensure that all of the subcontractors also comply with them. Compliance with these requirements is checked on a random basis and in connection with the supplier self-assessment. Monitoring of subcontractors is only performed in line with the requirements of Section 9 (3) German Supply Chain Due Diligence Act. The interests of key stakeholders are taken into account by providing suitable reporting channels and the opportunity to report legal or ethical concerns anonymously. HENSOLDT has made the Supplier Code of Conduct available on the company website. In addition, HENSOLDT informs suppliers occasion-related about the training opportunities, in the IT-based supplier platform used by HENSOLDT, in order to support the supplier's internal enforcement of the Code of Conduct. Responsibility for implementation of the policy lies with the Purchasing department and is approved by the Executive Committee.

The Code states that the supplier must at all times comply with HENSOLDT's expectations regarding human rights and the environment. HENSOLDT reserves the right to monitor compliance with the Supplier Code of Conduct on their own account or through a suitable third party. Violations by the Supplier or its own suppliers must be reported immediately. Following this, appropriate policies must be developed and implemented, including a specific timetable for ceasing or at least minimising the violation. If a violation occurs, HENSOLDT is entitled to immediately suspend the contracts concerned and the associated services or to terminate these with immediate effect for good cause. This is to ensure compliance with the guiding principles described above. HENSOLDT's reporting channels are available to all value chain workers. In the reporting year 2025 as in the reporting year 2024, there were no reported cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving value chain workers.

Processes for engaging with value chain workers about impacts (S2-2)

As already stated in section ["V.1.3 Strategy and business model"](#), suppliers and their workers are a central element of HENSOLDT's sustainability strategy. Relationships with suppliers, compliance with the Supplier Code of Conduct and minimising sustainability risks are all treated equally. As part of the supplier management approach, an IT-based platform is used to analyse risks on an ongoing basis (supplier screening) and monitor suppliers with the aim of reducing negative impacts and risks and increasing positive impacts. This action is outlined in more detail in the next section. The findings of this risk analysis are reported to the Management Board at least every year.

As part of the materiality assessment, interviews were conducted with the Purchasing department to ensure that the views of value chain workers were taken into account. (see section ["V.1.4. Processes to identify and assess material impacts, risks and opportunities"](#)). No direct dialogue took place with the value chain workers.

There are currently no global framework agreements or other agreements that HENSOLDT has concluded with international trade union federations relating to respect for the human rights of value chain workers. HENSOLDT is committed to respecting human rights through the Supplier Code of Conduct, the Group Human Rights Policy and the reporting obligations under the German Supply Chain Due Diligence Act (see also section ["V.3.2 The HENSOLDT Group Policy on human rights"](#)).

Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

Employees in the value chain can use the Speak Up whistleblower system for anonymous reporting. This system constitutes the complaint procedure for compliance with the German Supply Chain Due Diligence Act. Suppliers are informed about the complaint options and the complaint procedure by means of the Supplier Code of Conduct, which is available in three languages. An FAQ section on the HENSOLDT website is also intended to facilitate access to and understanding of HENSOLDT Speak Up. Details on protecting whistleblowers and the monitoring and follow-up of reports made are described in section ["V.4.1 Business conduct"](#).

In the fiscal years 2024 and 2025, no severe problems or incidents relating to human rights violations within the upstream and downstream value chain were reported, and consequently, no remedial action was taken. Furthermore, HENSOLDT has no information on any other incidents.

Actions (S2-4)

For HENSOLDT, respecting human rights and mitigating negative impacts on value chain workers are important issues that demand action. HENSOLDT therefore plans to review and update the Supplier Code of Conduct every 2 years in line with changing legal requirements. The review in fiscal year 2025 found that no updating or revision was necessary. The Code is intended to prevent the company's own practices from having or contributing to a material negative impact on value chain workers. As the application of the European Supply Chain Due Diligence Directive (CSDDD) has been postponed until 2027, in the 2025 fiscal year HENSOLDT put the development and implementation of an action plan for the CSDDD (human rights due diligence in procurement) on hold until the Directive is implemented. HENSOLDT however wants to improve cooperation with suppliers to address gaps or violations – where these are identified – and create remedial actions.

In fiscal year 2025, HENSOLDT developed its supplier classification³¹ criteria with a focus on sustainability requirements, and these criteria are scheduled for implementation in 2026. Therefore, there will be no changes to the supplier questionnaires for the time being. Furthermore, HENSOLDT has increased its opportunities for suppliers to participate in sustainability-related discussions and has provided guidelines. HENSOLDT has conducted carbon footprint surveys and plans to repeat these in 2026.

To minimise risk related to its suppliers, HENSOLDT continually develops the Group-wide supplier evaluation platform and expands the scope of reviewed suppliers continuously, for example when integrating new companies. This IT-based supplier platform is used by HENSOLDT to scan mass media for negative news and to obtain self-assessments and certificates. The platform is also used for monitoring suppliers and for undertaking supplier risk analysis. It also includes supplier information on corporate social responsibility matters. This not only enables the increasing requirements placed on suppliers to be checked and implemented promptly, but also relieves the burden on the Purchasing department in its communication with suppliers. The further development of supplier risk assessment helps to improve the supplier management process. Improved risk assessments mean that more effective actions can be put in place.

The effectiveness of the actions and the immediate impacts are systematically monitored at HENSOLDT. Additionally, feedback from various departments is gathered to assess the effectiveness of actions and make corrections if necessary. Metrics on the number of suppliers screened and the risks analysed are prepared in a half-yearly internal report for the Supplier Risk Boards. The findings are then consolidated at global level and prepared for reporting. The funds required for the implementation of the described actions are an integral part of the IT budget planning.

Targets in focus (S2-5)

HENSOLDT has set itself the following targets for the “Suppliers” strategic pillar, which support the further development and effectiveness of the described supplier management.

First, transparency and responsibility in the supply chain are to be strengthened by reviewing, on a quarterly basis, all material Tier 1 suppliers included in the system for human rights and environmental risks, and minimising identified risks. Material Tier 1 suppliers are identified as important suppliers based on certain characteristics (e.g. size, context).

In the 2025 fiscal year, HENSOLDT achieved its target of maintaining dialogue with suppliers through annual consultations with selected suppliers. All planned consultations took place in 2025. This target will remain in place for the 2026 fiscal year. The targets were defined by the Purchasing department on behalf of the workforce in the value chain and updated in the annual expert dialogue sessions. Starting in the second quarter of fiscal year 2025, quarterly strategy meetings were held for the first time to analyse target achievement and actions. The focus of these meetings is to assess the effectiveness of the actions through discussion and exchange with the departments. The results of target achievement were presented and discussed in the Sustainability Committee.

³¹ The supplier classification criteria will initially be applied to all direct material suppliers of Sensors and Optronics.

3.5 Consumers and end-users (S4)³²

Strategic pillar: Customer

The expansion of scientific research and the improvement of the technological capabilities of industrial sectors is an objective of the United Nations (SDG no. 9) and is consistent with the “Customer” strategic pillar. HENSOLDT invests in customer-focused innovations, is committed to sustainable product design and prioritises safety and quality. The actions taken to reduce the carbon footprint of the products can be found in section ["V.2.1 Climate change"](#).

Material impacts, risks and opportunities for consumers and end-users and their interaction with strategy and business model (SBM-3)

HENSOLDT’s customers include German and foreign governments, as well as supranational organisations such as NATO and its armed and security forces. End-users are national armed forces, especially the German Armed Forces (German Bundeswehr), government security and defence agencies in Europe and worldwide, and operators of critical infrastructure, surveillance and security applications. HENSOLDT’s products and portfolio, along with its stringent product safety requirements, are designed to ensure the protection and security of end-users, resulting in positive impacts in this regard.

As a provider of high-quality electronic sensors and solutions in the defence and security sector, HENSOLDT takes the issue of product responsibility towards its customers very seriously and has included the “Customer” pillar in its sustainability strategy. This pillar is split into two strategic action areas: “Product development and innovation” and “Product safety and responsibility”.

HENSOLDT analyses the risks and impacts associated with the use of its products and attempts to mitigate these through appropriate actions. Risks and impacts are generally identified based on the nature of the products and their intended use, and therefore occur in the case of all products. Further information on dealing with specific business relationships (Export Compliance and Partner Review Directive) can be found in section ["V.4.1 Business conduct"](#).

Product development is governed by an understanding of sustainability and the aspiration to minimise potential negative impacts that may arise from non-compliance with business, development and product conformity processes or improper handling of the products by end-users. This is ensured by adopting a holistic approach to the business system that prioritises product safety. To this end, holistic, interlinked processes have been implemented that feature standards, question catalogs and instructions as well as internal and external audits. This leads to the continuous improvement of sequences in the context of product development and allows potential product and liability risks to be minimised. As required by law, HENSOLDT provides instructions for use or a manual for every product and component sold and supports customers and end-users through training to prevent improper handling. The respective actions are described in more detail in the following section.

Policies related to consumers and end-users (S4-1)

The topic of product responsibility is integral to the strategy and business system of HENSOLDT and is therefore reflected in various processes, particularly in the Code of Conduct. HENSOLDT works continuously to ensure that its products meet the high standards of quality and safety and is committed to adhering to all applicable laws and regulations. All employees are expected to report any safety concerns immediately. Further details on the Code of Conduct can be found in section ["V.4.1 Business conduct"](#). Other internal guidelines, processes and an Export Compliance department are intended to ensure that goods are exported in accordance with applicable national, European and international export regulations. End-Use Certificates (EUC) are used to ensure that HENSOLDT products are only forwarded to recipients authorised by the relevant authorities. For details, see section ["V.4.2 HENSOLDT-specific disclosure due to material impacts, risks and opportunities"](#).

HENSOLDT also has a quality management policy. This refers, for example, to quality control in the area of product safety and is based on the European standard EN 9100. It defines rules regarding conduct in the areas of competition, innovation, performance, motivation and partnerships with interest groups. The focus is on the customer, as satisfied customers and authorities are a key element in achieving HENSOLDT’s strategic targets. The quality management guideline applies to all employees throughout the Group. This guideline is communicated to all employees and can be

³² The term “consumer”, as used in the European Sustainability Reporting Standards (ESRS), refers to natural persons who purchase products for private purposes that are not related to their professional or business activities: the term is therefore not applicable to HENSOLDT. For this reason, only “end-users” and “customer” are referred to below. End-users are persons who ultimately use a particular service or product or who are the planned users. “Customers” are defined at HENSOLDT as follows: A customer is a person or a company that purchases or utilises goods or services from HENSOLDT.

accessed on the intranet at any time. The guideline was approved by the Chief Executive Officer (CEO), who is also responsible for its implementation.

Respect for human rights along the value chain is a top priority at HENSOLDT and therefore also applies to customers and end-users. For information on dealing with human rights and compliance with the associated internationally recognised instruments, see section ["V.3.2 The HENSOLDT Group Policy on human rights"](#).

Processes for engaging with consumers and end-users about impacts (S4-2)

HENSOLDT has established itself as a trusted long-term partner for its customers and end-users. The manufactured products are generally highly specialised and are made according to specific customer requirements. Customers are often involved as early as the development stage. By comparison, their direct involvement in serial products is generally only an exceptional case. The involvement of customers therefore depends heavily on the product or project in question. Strategic responsibility rests with the CEO, whose role includes responsibility for external and customer relations as well as the internationalisation strategy. The divisions and the corresponding functions within the company are responsible for operational implementation.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)

For highly specialized products, as described above, regular communication takes place at defined milestones, actively involving customers. In addition, the Speak Up whistleblower system offers anonymous access to customers and end-users. The anonymity of whistleblowers is protected by this system. The HENSOLDT Code of Conduct and HENSOLDT Speak Up are available on the company website and can be accessed there at any time. Further information can be found in section ["V.4.1 Business conduct"](#).

The product documentation (partially supplemented by training materials) provided to users contain the HENSOLDT contact details, enabling users to submit queries about the product. Based on the actions described and the whistleblower system in place, it is assumed that end-users are aware of the reporting channels and trust them. A separate procedure to verify the knowledge and trust of end-users in the whistleblower system does not currently exist.

If a breach of internal business processes is identified or security concerns are raised about the products, the breach or concern is promptly and fully investigated within the responsible department and actions to be taken initiated by the relevant product manager. For more information on the rules of procedure for reporting violations, see also the descriptions of the whistleblower system in section ["V.4.1 Business conduct"](#).

Actions (S4-4)

HENSOLDT is taking targeted actions to maintain product safety. The topic of product safety is fundamentally related to all companies and sites within the Group. A risk assessment is an integral part of the development process and plays an important role in ensuring that the use of the products involves only acceptable residual risks. In order to minimise the risk of product impairment due to cyber security attacks, the product-related risk assessment and, in addition, a threat analysis, were conducted from which actions and activities were derived. In fiscal year 2025, individual HENSOLDT Sensors products were analysed and assessed for cyber security vulnerabilities and threats. This action is to be expanded from 2026 onwards to include all products from HENSOLDT Sensors both in terms of their own operations, components and services in the upstream value chain, as well as the entire product life cycle.

To minimise negative impacts regarding product safety, quality management systems have been set up at several HENSOLDT locations in accordance with ISO 9001 / EN 9100 and audited accordingly. In addition, external audits are conducted to validate the certification of the management system. The aim is to achieve a 100% certification coverage of the HENSOLDT sites in the largest core countries by 2028. The policies in the area of business conduct, particularly the HENSOLDT Code of Conduct, emphasise the importance of product safety and product quality. (see section ["V.4.1 Business conduct"](#)).

In fiscal year 2024, six staff positions were created within the Office of System Integrity to define the relevant process specifications for product safety, strengthen governance, and provide corresponding training for engineering staff. In fiscal year 2025, this department was renamed the Office of Product Integrity, and three of the six staff positions were reassigned to the area of product-related environmental requirements.

HENSOLDT places great importance on the responsible use of new technologies such as artificial intelligence (AI) and investigates how the results of AI applications can be made comprehensible and explainable. Accordingly, the existing

strategy on artificial intelligence was developed further in the fiscal year 2025. This aims to ensure the responsible use of artificial intelligence and, at the same time, to raise awareness of this new technology within the context of product development. The AI/ML Committee, with members from all divisions and under the overall leadership of the HENSOLDT CTO (Chief Technology Officer), is responsible for leading and overseeing the implementation of these actions. Actions for dealing with sustainable product design are described in section "[V.2.1 Climate change](#)".

Internal targets and the described actions were defined for the strategic pillar "Customer". Since the internal targets are not time-bound and results-oriented targets as defined by the ESRS, they are not reported. The sustainability-related actions and targets are updated in consultation with the relevant departments during the annual expert dialogue sessions. Starting in the second quarter of fiscal year 2025, quarterly strategy meetings were held for the first time to analyse target achievement and actions. The focus of these meetings is to assess the effectiveness of the actions through discussion and exchange with the departments. The results of target achievement were presented and discussed in the Sustainability Committee.

4 Governance responsibility

HENSOLDT's target in terms of governance responsibility for more sustainable defence is to maintain high compliance standards, promote a culture of ethical business conduct and lead the way in responsible digitalisation and data security.

4.1 Business conduct (G1)

Business conduct constitutes the foundation of HENSOLDT's organisational and ethical approach. It defines the principles that guide HENSOLDT's activities and places particular emphasis on ensuring that decisions and activities are in line with the values of HENSOLDT and with legal requirements. Strong business conduct fosters transparency, accountability and integrity, which not only reinforces customer, partner and employee trust, but also ensures the long-term stability and success of HENSOLDT.

Strategic pillar: Business integrity

For HENSOLDT, compliance with the goal of the United Nations "Peace, justice and strong institutions" (SDG No. 16) is a key part of how it sees itself. The strategic pillar of business integrity reflects these targets at HENSOLDT within the strategic action areas of "Corporate Governance", "Anti-Corruption & Bribery", "Political Relations" and "Data Responsibility".

Business integrity provides the underlying basis to ensure that HENSOLDT is guided by the highest standards of corporate governance and compliance. HENSOLDT is committed to transparency, ethical behaviour and compliance with legal regulations. The Code of Conduct applies to all employees, suppliers and business partners (see section "The HENSOLDT Code of Conduct"). Rigorous anti-corruption policies, training and audits as well as a robust whistleblower system promote fair business practices and prevent violations.

Zero tolerance

The policy of zero tolerance towards compliance violations and corruption is the result of HENSOLDT's strict alignment with legal requirements and the highest ethical standards of business conduct. In its business activities, HENSOLDT is committed to its values of collaboration, excellence, responsibility and innovation. These values of the HENSOLDT corporate culture are supported by an ethics and compliance programme to protect management, employees, the company and its reputation. By declaring law-abiding and ethical behaviour as the guiding principle of business practices at all levels, HENSOLDT aims to ensure that it acts responsibly. Other action is taken to counter violations of the law and to respond to them consistently. HENSOLDT thus trains its employees annually on the HENSOLDT Code of Conduct. The positive corporate culture, based on the Code of Conduct, is designed to promote employee satisfaction and can also have a positive impact on the value chain.

Actions

In terms of its zero-tolerance policy towards compliance violations, HENSOLDT carried out and planned a range of actions in fiscal year 2025. The actions include promoting awareness of the whistleblower system and clearly communicating the anti-corruption guidelines to employees, suppliers and stakeholders. This was implemented through publications online and on the intranet as well as through Q&A sessions and dedicated training. Training sessions also took place for employees around the world on the topic of corruption prevention, while audits were performed for selected business partners. These actions have raised employee awareness of compliance and strengthened cooperation and willingness to report potential misconduct and compliance violations. The number of users of reporting systems already increased significantly in fiscal year 2024. This increase in reports continued in fiscal year 2025. For the coming fiscal year, HENSOLDT plans to maintain the existing actions while implementing recurring actions, for example the training described above. HENSOLDT's Sustainability department monitors the effectiveness of these actions annually and reports to the Management Board and the Supervisory Board.

Corporate Governance

Policies (G1-1)

The HENSOLDT Code of Conduct

The HENSOLDT Code of Conduct serves as a basic guideline for key compliance matters, aims to ensure integrity in all areas of the business and covers the topics of fair competition, compliance with export laws, cooperation with official authorities and fair treatment of suppliers and business partners as well as product safety, diversity and equal opportunities. The Code promotes a culture of open dialogue, mutual trust and cooperation. In the Code of Conduct, HENSOLDT draws on the Global Principles of Business Ethics for the Aerospace and Defence Industry, which have been adopted by the Aerospace, Security and Defence Industries of Europe (ASD) and the Aerospace Industries Association of America (AIA). The Code is binding for all employees of the HENSOLDT Group, irrespective of hierarchical position or geographical location. It extends to all business activities and the entire value chain, including relationships with suppliers and business partners. The policy is made available to all employees via the intranet. External stakeholders can view it on the HENSOLDT website. The Chief Compliance Officer is responsible for implementing the policy. In order to establish the Code of Conduct as the basis of the corporate culture for all employees, mandatory training courses are held each year. As part of the training and the policy, all employees are encouraged to communicate openly.

Whistleblower system

HENSOLDT has established procedures within its compliance programme for all employees to identify, report, and investigate potentially unlawful conduct or conduct that violates the Code of Conduct or other relevant internal rules. Information can be reported to the direct supervisor, managers, the Human Resources Business Partner, the Compliance Team, or the Speak Up whistleblower system, which replaced the previous OpenLine reporting system in September 2025. Speak Up can be contacted voluntarily, confidentially and anonymously via the internet or by telephone (through an external ombudsman). HENSOLDT ensures that employees and employee representatives contacting Speak Up will not suffer any disadvantages as a result.

Reports are investigated promptly and thoroughly, in accordance with applicable laws and company policies. Feedback on the results is provided to the whistleblower upon request, to the necessary and permissible extent, and can be anonymous. Mechanisms for reporting and investigating reports are available to internal and external stakeholders. Employees are informed about Speak Up and reporting channels through training and communication channels and can access a wealth of information on the HENSOLDT website, including the "HENSOLDT Speak Up – Whistleblowing & Internal Investigations" policy.

The HENSOLDT Speak Up – Whistleblowing & Internal Investigations policy aims to promote high standards of ethical business conduct and forms the basis for the whistleblower system. The policy addresses, inter alia, potential misconduct, violations of policies or regulations, financial irregularities, breaches of regulations, or ethical concerns within the HENSOLDT Group. Together with the policy, the Speak Up whistleblower system fulfils the requirements of Directive (EU) 2019/1937, the General Data Protection Regulation (GDPR), the ISO/TS 37008:2023 guidelines, the German Whistleblower Protection Act and the German Supply Chain Due Diligence Act (LkSG). The HENSOLDT Speak Up policy applies to all companies in which the HENSOLDT Group holds a majority stake or otherwise exercises effective control. The policy is available on the intranet, and external whistleblowers can find information on the FAQ

page of the whistleblower system. The Chief Compliance Officer is responsible for ensuring its effective implementation and reporting directly to the Management Board.

Anti-corruption and bribery (G1-3, G1-4)

HENSOLDT rejects all forms of corruption and bribery and for this reason has developed an anti-corruption compliance programme aimed at mitigating the risk of corruption and bribery as far as possible. This programme includes several key elements. Firstly, there is a designated organisational unit headed by the Chief Compliance Officer. This team is responsible for creating and implementing policies and processes, monitoring their effectiveness and providing practical support and expertise throughout the Group. The Chief Compliance Officer reports directly to the Group General Counsel and on compliance-related topics to the Management Board and Supervisory Board. Specific guidelines have been introduced to address key risk areas related to corruption. These include, among other things, the Partner Review Directive, the requirements for gifts and invitations, as well as the requirements for sponsorships, donations and memberships. These policies are embedded in a number of other processes such as procurement and supplier management, partner selection and customer classification.

Anti-corruption policy

The HENSOLDT Anti-corruption policy is the centrepiece of the anti-corruption compliance programme and aims to mitigate the risk of corruption and bribery. The general objectives include promoting integrity, transparency and compliance within the organisation. The policy covers material impacts, risks and opportunities related to corruption and bribery and includes processes to monitor compliance with and effectiveness of the policy. The policy commits to compliance with the United Nations Convention and international anti-corruption laws and standards, which are embodied in the specific directives and the general anti-corruption policy of the HENSOLDT Group. The policy applies to all HENSOLDT Group employees. Anti-bribery and anti-corruption are also part of the Supplier Code of Conduct and consequently also apply to the upstream value chain. The policy is made available to employees and relevant stakeholders through internal communication channels and training. All employees are informed about the risk of corruption and bribery in the annual Code of Conduct training and on the intranet. In addition, questions can be addressed at any time directly to the compliance organisation or submitted via HENSOLDT Speak Up. The policy takes into account the interests of employees and other stakeholders by providing clear guidelines and training to ensure that everyone involved understands and complies with the policy.

HENSOLDT Partner Review Directive

The anti-corruption compliance programme includes risk-based due diligence actions aimed at identifying risks and appropriately mitigating them, particularly relating to third parties acting on behalf of HENSOLDT. This includes greater caution when dealing with public officials and their close relatives. The investigating officer or committee in cases of corruption or bribery is separate from the chain of management involved in the matter. Regular reports are submitted to HENSOLDT's Management Board containing recommendations to strengthen the compliance programme where appropriate.

The Partner Review Directive complements the Anti-corruption policy in order to minimise the risk of corruption and bribery and protect the most vulnerable functions. The HENSOLDT Group's Partner Review Directive aims to facilitate business activities within a legally secure framework to protect HENSOLDT AG, its subsidiaries and affiliates and their directors, officers, managers and employees from the risk of violating anti-corruption laws and the reputational damage that this entails. The policy includes risk assessment and mitigation actions that must be carried out prior to executing transactions with business partners. The policy is designed to meet international best practices relating to anti-corruption compliance. Reference is also made to the HENSOLDT Offset Compliance Directive, which must be applied before entering into offset commitments. The Directive applies to the HENSOLDT Group. The policy is shared via the intranet and is accessible to all employees. Extensive training and Q&A sessions (twice a month) are regularly offered to all relevant employees. If employees have any questions regarding the policy, they can contact the global Compliance department. The policy addresses the interests of key stakeholders by ensuring that all partner relationships and transactions comply with anti-bribery laws and do not cause reputational damage to the HENSOLDT Group. The highest level of responsibility for the implementation of the policy lies with the responsible Senior Executive as set out in the Partner Review Directive.

Metrics

HENSOLDT conducted compliance training in fiscal year 2025. HENSOLDT's training programme includes mandatory training on the Code of Conduct, which covers the topics of corruption prevention and bribery. It is compulsory for all employees. Since HENSOLDT has not yet carried out any categorisation, all employees are currently classified as functions at risk. In fiscal year 2025 83.6% (previous year: 84.4%) of the employees of the HENSOLDT Group participated in the Code of Conduct training programme on corruption and bribery prevention. Employees are notified of the training programme via a reminder e-mail and are sent a course description. If they do not participate in the programme, their line manager is informed by e-mail. New employees are informed of the mandatory training as part of the onboarding process. The Management Board and the Supervisory Board of HENSOLDT are informed quarterly about current compliance topics and developments. Annual training on the Code of Conduct is mandatory for the Management Board of HENSOLDT since fiscal year 2024. The Supervisory Board is also informed about significant changes. HENSOLDT's training programme also includes in-depth voluntary compliance training, such as "Corruption Prevention" and "Gifts, Invitations, Donations and Sponsorship". Top-level management also receives, on an ad-hoc basis, information about changes and current developments regarding the Partner Review Directive (PRD).

In fiscal year 2025, as in the previous year, there were no convictions within the HENSOLDT Group for violations of anti-corruption and anti-bribery regulations. This metric also includes possible cases of actors in the supply chain where HENSOLDT or its employees were directly involved. Accordingly, no actions were taken to address breaches in procedures and standards of anti-corruption and anti-bribery. In the reporting year 2025 there were again no confirmed incidents of corruption or bribery, nor any incidents from previous years.

Management of suppliers (G1-2, G1-6)

Sustainability in managing suppliers

As an integral part of supply chain management, the Supplier Code of Conduct forms the basis for evaluating suppliers. Further information on the Code is provided in section ["V.3.4 Workers in the value chain"](#). Alongside the obligation to comply with the Supplier Code of Conduct, all material suppliers are required to provide a comprehensive self-assessment. HENSOLDT also uses an IT-based supplier platform to search mass media for negative news and to obtain self-assessments and certificates. HENSOLDT screens its suppliers regarding sustainability matters and supports them in their compliance initiatives in relation to policies such as the ILO and OECD, as well as the Supplier Code of Conduct and the Modern Slavery Act. Suppliers are also screened for environmental impacts. This is conducted by means of an abstract risk assessment that looks at the country of procurement and the product groups. The gathered data is collated in a HENSOLDT supplier database and used for risk analyses. Since 2023, analysis findings, risk assessments and actions have been regularly discussed and reported in a designated committee.

HENSOLDT payment practices

HENSOLDT actively practises and expects fair and appropriate payment behaviour from its suppliers. Timely payment of suppliers is mandatory for HENSOLDT. HENSOLDT does not split its suppliers into different categories, such as size, order volume or origin. For this reason, there is no current need or explicit policy to prevent late payment to small and medium-sized enterprises (SMEs). Where the standard payment terms are not applied, statutory country-specific payment terms or supplier-specific payment terms apply.

The regionally different standard payment terms within the HENSOLDT Group are - taking into account country-specific legal requirements - generally between 30 and 60 days. They are, however, individually negotiated with the majority of suppliers. Thus, the HENSOLDT Group has an average payment term of 38 days (previous year: 38 days), which applied to 48.4% (previous year: 50.5%) of payments in 2025. HENSOLDT requires an average of 49 days (previous year: 49 days) to settle an invoice from the invoice date. As in the previous year, there were no pending legal proceedings due to late payments in fiscal year 2025 within the HENSOLDT Group.

Political influence and lobbying activities (G1-5)

Political influence

HENSOLDT is committed to transparent political activity and responsible lobbying. In accordance with the Code of Conduct of the Lobby Register of the German Bundestag, as introduced on 24 June 2021, HENSOLDT ensures openness, integrity and accountability in all lobbying activities. The same applies to the other relevant transparency

registers at EU and federal state level in which HENSOLDT is represented (see table below). The Head of Public Affairs Germany reports directly to the Head of Group Sales and Key Account Management, who, as a member of the Executive Committee, is responsible for overseeing political lobbying activities in direct consultation with the Management Board. No member of the HENSOLDT Group's Management Board or Supervisory Board had held a comparable public administration position in the two years prior to their appointment in the current reporting period.

The Customer Engagement Plan introduced in fiscal year 2024 enables HENSOLDT to better monitor its political activities and provides an overview of permitted levels of political engagement and political influence by its stakeholders. This plan sets out which stakeholders are allowed to communicate with whom. Looking ahead, HENSOLDT plans to review and update its Customer Engagement Plan annually.

Lobbying activities

HENSOLDT Group is registered in the listed lobby registers through the following subsidiaries:

Lobby register	Register number
Lobby register for lobbying of the German parliament (German Bundestag) and the Federal Government	
HENSOLDT AG	R001628
HENSOLDT Sensors GmbH	R001631
HENSOLDT Optronics GmbH	R001632
ESG Elektroniksystem- und Logistik-GmbH	R001378
EU Transparency register	
HENSOLDT AG	829019131787-70
France - high-level authority for transparency in public life	
HENSOLDT NEXEYA France	H622386477
HENSOLDT France SAS	812022309
Bavaria lobby register	
HENSOLDT AG	DEBYLT02C0
Baden-Württemberg lobby register¹	
HENSOLDT Optronics GmbH	n/a
HENSOLDT Sensors GmbH	n/a

¹ The lobby register of Baden-Württemberg does not have a registration number.

HENSOLDT equips the German Armed Forces (German Bundeswehr) with the latest technologies to give them the best possible protection on their missions. For this purpose, HENSOLDT maintains dialogue with those responsible in the German government ministries (Federal Chancellery, Federal Ministry of Defence, Federal Ministry of Economics and Energy, Federal Ministry of Finance, Federal Foreign Office, Federal Ministry of the Interior) and the members of the German Bundestag, the Armed Forces themselves as well as with scientific institutes and research associations. Working together with these customers, HENSOLDT aims to identify requirements at an early stage so that it can offer sustainable, needs-based and cost-efficient solutions. For HENSOLDT it is always essential to comply with legal requirements.

In fiscal year 2025, HENSOLDT made the following contributions:

in €	Germany		France		Rest of world	
	2025	2024	2025	2024	2025	2024
Sector and industry associations	176,596	146,384	20,239	21,714	9,692	3,724
Interest organisations	23,710	22,960	3,526	1,050	–	1,631
Political trade associations	14,850	15,425	–	–	–	–
Events	10,960	8,520	9,830	438	683	507
Total	226,116	193,289	33,595	23,202	10,375	5,862

HENSOLDT did not provide or make any in-kind contributions or donations to political parties in the 2025 fiscal year. As part of its sustainability reporting, the relevant data was requested from the individual companies based on ESRS G1-5 and presented in aggregate form.

4.2 HENSOLDT-specific disclosures due to material impacts, risks and opportunities

As a result of the additional impacts and risks identified as material in the area of data responsibility and export compliance, HENSOLDT reports on the topics of data responsibility and export control in this Sustainability Report for the fiscal year 2025.

Data responsibility

As part of digitalisation, data and IT infrastructure are acquiring an increasingly important and, in many areas, decisive role. Against the background of legal obligations, national and international guidelines and conventions, information security is given top priority at HENSOLDT. An information security management process helps to continuously monitor and document compliance with information security policies. In order to minimise any resulting potential risks, the Chief Information Security Officer (CISO) and their team systematically continue to develop the information security management system (ISMS). The company standards are based on best practices and are primarily, but not exclusively, aligned with globally recognised standards such as those of the International Organisation for Standardisation (ISO) and the National Institute of Standards and Technology (NIST). A risk-based approach has always underpinned any further development of the standards, with the aim of maintaining an optimum level of security and meeting all regulatory requirements and our own integrity standards. Guided by the Management Board, processes and systems were further developed and new ones were introduced, given that companies like HENSOLDT are inherently vulnerable to the risk of cyberattacks.

Policy

HENSOLDT's Data Protection Policy and actions are designed to ensure compliance with national legal requirements and the European General Data Protection Regulation. They form the basis for the high standard of global data protection at HENSOLDT. The Data Protection Policy includes the implementation of a data protection management system (DPMS) in accordance with the international standard. The general targets are to ensure the adequacy, completeness, sustainability, effectiveness and efficiency of data protection. All employees are obliged to report any weak points with regard to data protection. The data protection officers are responsible for ongoing improvement and monitoring. The Data Protection Policy is the basis for preventing potential negative impacts and risks from cyberattacks and the loss or improper handling of personal data. The interests of the data subjects are taken into account through transparency, purpose limitation, deletion and correctness of the data as well as technical and organisational actions. The Data Protection Policy applies to the entire HENSOLDT Group. Responsibility for implementation lies with the management of the relevant local organisational entity. It is responsible for translating the guidelines into specific instructions and tools and for making the necessary human, organisational and financial resources available. The information security management system is based on best practices and is primarily, but not exclusively, aligned with globally recognised standards such as those of the International Organisation for Standardisation (ISO) and the National Institute of Standards and Technology (NIST).

Targets and actions

To protect the data of employees, customers, and all other stakeholders, and to prevent data leaks, HENSOLDT implements a range of established actions. Raising employee awareness and understanding of IT security is of paramount importance. To this end, the management system is continuously being developed in terms of data protection and implemented according to a risk-based approach. Particular emphasis is placed on sensitising employees to the responsible handling of data and the challenges of data-driven business models in the context of advancing digitalisation. For this reason, HENSOLDT offers regular training on information security and data protection. The training covers a range of topics including awareness related to social engineering, cybercrime and data protection. In addition, regular phishing tests are carried out to ensure that employees are particularly aware of the risk of such attacks and can reliably detect malicious attacks. Another key aspect of ensuring the protection of personal data and the continuous improvement of the overall cybersecurity level is the implementation and maintenance of the Information Security Management System (ISMS) in line with recognised certifications including ISO 27001, Cyber Essentials, and Cybersecurity Maturity Model Certification (CMMC). In the event of identified risks or incidents, these will be assessed immediately and necessary actions will be taken.

Export compliance

Policy

HENSOLDT's international operations are subject to internal and external regulations and controls with regard to foreign trade rules. To ensure compliance with legal requirements, Export Compliance draws up policies applicable across the Group and checks that these are complied with.

HENSOLDT's export compliance regulations serve to ensure compliance with all applicable national and international export control regulations. The objective is to comply with these laws and regulations in order to prevent violations and legal consequences as well as loss of reputation. Furthermore, HENSOLDT conducts risk-minimisation assessments. HENSOLDT export control is subject to regular audits by government authorities and internal monitoring and it reports to the Chief Compliance Officer (CCO). The company is committed to complying with all relevant national and international laws and regulations. This includes, for example, compliance with the regulations of the US Department of State (ITAR) and the US Department of Commerce (EAR). Internal HENSOLDT policies, in particular on the topic of export compliance, reflect the requirements of foreign trade law. The Export Compliance Policy will be updated by HENSOLDT's Export Compliance organisation in 2026. The Chief Compliance Officer serves as the main point of contact for top-level management. The internal HENSOLDT policies, in particular on the topic of export compliance, are applicable to all HENSOLDT companies and their subsidiaries, regardless of their location. This includes the entire value chain, from development to procurement and production to delivery and customer service.

Targets and actions

To implement the processes, HENSOLDT has a functioning organisational and operational structure that is regularly audited. The Export Control departments submit applications for export licences to the relevant authorities. Compliance with all necessary guidelines and procedures, including the German statutory anti-boycott regulations, should ensure a legally compliant export business. In the event of identified risks of breaches, these will be assessed immediately and appropriate actions will be initiated.

No measurable or results-oriented targets have as yet been defined in an ESRS context, as the policies and regulations are currently considered sufficient to meet the legal requirements.

5 Appendix for the Sustainability Report

List of datapoints in cross-cutting and topical standards that derive from other EU legislation (IRO-2)

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 GOV-1.21d)	The role of the administrative, management and supervisory bodies	Indicator no. 13 in Annex 1 Table 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II	
ESRS 2 GOV-1.21e)	The role of the administrative, management and supervisory bodies			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 GOV-4.30	Statement on due diligence	Indicator no. 10 in Annex 1 Table 3			
ESRS 2 SBM-1.40d)i)	not applicable	Indicator No. 4 in Annex 1 Table 1	Article 449a of Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453 of Commission (6), Table 1: Qualitative Information on environmental risks Table 2: Qualitative information social Risks	Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1.40d)ii)	not applicable	Indicator No. 9 in Annex 1 Table 2		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1.40d)iii)	not applicable	Indicator No. 14 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS 2 SBM-1.40d)iv)	not applicable			Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-1.14	The HENSOLDT CO₂ reduction roadmap				Regulation (EU) 2021/1119, Article 2 paragraph 1

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-1.16g)	Strategic pillar: Planet & resources		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 paragraph 1 (d) to (g) and Article 12 paragraph 2	
ESRS E1-4.34	Targets in focus	Indicator no. 4 in Annex 1 Table 2	Article 449a of Regulation (EU) no. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Transition risk related to climate change: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	
ESRS E1-5.38	Energy consumption	Indicator no. 5 in Annex 1 Table 1 and Indicator no. 5 in Annex 1 Table 2			
ESRS E1-5.37	Energy consumption	Indicator no. 5 in Annex 1 Table 1			
ESRS E1-5.40-43	Energy consumption	Indicator no. 6 in Annex 1 Table 1			
ESRS E1-6.44	Greenhouse gas emissions	Indicators no. 1 and 2 in Annex 1 Table 1	Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Transition risk related to climate change: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5 paragraph 1, Article 6 and Article 8 paragraph 1	
ESRS E1-6.53-55	Greenhouse gas emissions	Indicator no. 3 Table 1 in Annex 1	Article 449a of Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Transition risk related to climate change: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 paragraph 1	

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS E1-7.56	Greenhouse gas removal and internal CO₂ pricing				Regulation (EU) 2021/1119, Article 2 paragraph 1
ESRS E1-9.66	not reported			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	
ESRS E1-9.66a), c)	not reported		Article 449a of Regulation (EU) No. 575/2013; Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change transition risk: Exposures subject to physical risk		
ESRS E1-9.67c)	not reported		Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral		
ESRS E1-9.69	not reported			Commission Delegated Regulation (EU) 2020/1818, Annex II	
ESRS E2-4.28	not material	Indicator no. 8 in Annex 1 Table 1 Indicator no. 2 in Annex 1 Table 2 Indicator no. 1 in Annex 1 Table 2 Indicator no. 3 in Annex 1 Table 2			
ESRS E3-1.9	not material	Indicator no. 7 in Annex 1 Table 2			
ESRS E3-1.13	not material	Indicator no. 8 in Annex 1 Table 2			
ESRS E3-1.14	not material	Indicator no. 12 in Annex 1 Table 2			
ESRS E3-4.28c)	not material	Indicator no. 6.2 in Annex 1 Table 2			
ESRS E3-4.29	not material	Indicator no. 6.1 in Annex 1 Table 2			

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS 2 - IRO 1 - E4.16a), i)	Other environmental topics	Indicator no. 7 in Annex 1 Table 1			
ESRS 2 - IRO 1 - E4.16b)	Other environmental topics	Indicator no. 10 in Annex 1 Table 2			
ESRS 2 - IRO 1 - E4.16c)	Other environmental topics	Indicator no. 14 in Annex 1 Table 2			
ESRS E4-2.24b)	not material	Indicator no. 11 in Annex 1 Table 2			
ESRS E4-2.24c)	not material	Indicator no. 12 in Annex 1 Table 2			
ESRS E4-2.24d)	not material	Indicator no. 15 in Annex 1 Table 2			
ESRS E5-5.37d)	not material	Indicator no. 13 in Annex 1 Table 2			
ESRS E5-5.39	not material	Indicator no. 9 in Annex 1 Table 1			
ESRS 2 SBM3 - S1.14f)	Material impacts, risks and opportunities for own workforce and their interaction with strategy and business model	Indicator no. 13 in Annex I Table 3			
ESRS 2 SBM3 - S1.14g)	Material impacts, risks and opportunities for own workforce and their interaction with strategy and business model	Indicator no. 12 in Annex I Table 3			
ESRS S1-1.20	3.2 The HENSOLDT Group Policy on human rights	Indicator no. 9 in Annex I Table 3 and Indicator no. 11 in Annex I Table 1			
ESRS S1-1.21	3.2 The HENSOLDT Group Policy on human rights			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-1.22	3.2 The HENSOLDT Group Policy on human rights	Indicator no. 11 in Annex I Table 3			
ESRS S1-1.23	Overview of policies and actions taken	Indicator no. 1 in Annex I Table 3			
ESRS S1-3.32c)	Channels for reporting and filling complaints and incidents	Indicator no. 5 in Annex I Table 3			
ESRS S1-14.88b), c)	Health & safety	Indicator no. 2 in Annex I Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S1-14.88e)	Health & safety	Indicator no. 3 in Annex I Table 3			
ESRS S1-16.97a)	Remuneration	Indicator no. 12 in Annex I Table 1		Commission Delegated Regulation (EU) 2020/1816, Annex II	

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S1-16.97b)	Remuneration	Indicator no. 8 in Annex I Table 3			
ESRS S1-17.103a)	Channels for reporting and filling complaints and incidents	Indicator no. 7 in Annex I Table 3			
ESRS S1-17.104a)	Channels for reporting and filling complaints and incidents	Indicator no. 10 in Annex I Table 1 and Indicator no. 14 in Annex I Table 3		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 paragraph 1	
ESRS 2 SBM3 - S2.11b)	Material impacts, risks and opportunities for value chain workers and their interaction with strategy and business model	Indicators no. 12 and 13 in Annex I Table 3			
ESRS S2-1.17	The HENSOLDT Supplier Code of Conduct	Indicator no. 9 in Annex 1 Table 3 and Indicator no. 11 in Annex 1 Table 1			
ESRS S2-1.18	The HENSOLDT Supplier Code of Conduct	Indicators no. 11 and 4 in Annex 1 Table 3			
ESRS S2-1.19	The HENSOLDT Supplier Code of Conduct	Indicator no. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 paragraph 1	
ESRS S2-1.19	The HENSOLDT Supplier Code of Conduct			Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS S2-4.36	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Indicator No. 14 in Annex 1 Table 3			
ESRS S3-1.16	not material	Indicator no. 9 in Annex 1 Table 3 and Indicator no. 11 in Annex 1 Table 1			
ESRS S3-1.17	not material	Indicator no. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 paragraph 1	
ESRS S3-4.36	not material	Indicator no. 14 in Annex 1 Table 3			
ESRS S4-1.16	Policies related to consumers and end-users	Indicator no. 9 in Annex 1 Table 3 and Indicator no. 11 in Annex 1 Table 1			

Disclosure requirement and related data point	Section/Sub-section	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference
ESRS S4-1.17	Policies related to consumers and end-users	Indicator no. 10 in Annex 1 Table 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 paragraph 1	
ESRS S4-4.35	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Indicator no. 14 in Annex 1 Table 3			
ESRS G1-1.10b)	Anti-corruption and bribery	Indicator no. 15 in Annex 1 Table 3			
ESRS G1-1.10d)	Policies	Indicator no. 6 in Annex 1 Table 3			
ESRS G1-4.24a)	Anti-corruption and bribery	Indicator no. 17 in Annex 1 Table 3		Commission Delegated Regulation (EU) 2020/1816, Annex II	
ESRS G1-4.24b)	Anti-corruption and bribery	Indicator no. 16 in Annex 1 Table 3			

Content index

Mandatory Disclosure	Section	Subsection
BP-1 – General basis for preparation of the Sustainability Report	1.1 Basis for preparation	General Basis for preparation of the sustainability statement
BP-2 – Disclosures in relation to specific circumstances	1.1 Basis for preparation	Disclosures in relation to specific circumstances
GOV-1 – The role of the administrative, management and supervisory bodies	1.2 Basic principles of Governance	The role of the administrative, management and supervisory bodies
GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies	1.2 Basic principles of Governance	The role of the administrative, management and supervisory bodies
GOV-3 – Integration of sustainability-related performance in incentive schemes	1.2 Basic principles of Governance	Integration of sustainability-related performance in incentive schemes
GOV-4 – Statement on due diligence	1.2 Basic principles of Governance	Statement on due diligence
GOV-5 – Risk management and internal controls over sustainability reporting	1.2 Basic principles of Governance	Risk management and internal controls over sustainability reporting
SBM-1 – Strategy, business model and value chain	1.3 Strategy and business model	Strategy, business model and value chain
SBM-2 – Interests and views of stakeholders	1.3 Strategy and business model	Consideration of the interests and views of stakeholders in the business strategy
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.4 Processes to identify and assess material impacts, risks and opportunities	Material impacts, risks and opportunities and their interaction with strategy and business model
IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities	1.4 Processes to identify and assess material impacts, risks and opportunities	Processes, methods and assumptions for performing the materiality assessment
IRO-2 – Disclosure Requirements in ESRS covered by the undertaking’s Sustainability Report	1.4 Processes to identify and assess material impacts, risks and opportunities	Results of the double materiality assessment

Mandatory Disclosure	Section	Subsection
E1-IRO-1 – Description of the procedures for identifying and assessing the significant climate-related impacts, Risks and Opportunities	1.5 Topic-related disclosure requirements	Climate change
E2-IRO-1 – Description of the procedures for identifying and assessing the significant impacts, Risks and Opportunities relating to pollution	1.5 Topic-related disclosure requirements	Other environmental topics
E3-IRO-1 – Description of the procedures for identifying and assessing the significant impacts, Risks and Opportunities relating to water and marine resources	1.5 Topic-related disclosure requirements	Other environmental topics
E4-IRO-1 – Description of the procedures for identifying and assessing the significant impacts, Risks and Opportunities relating to biodiversity and ecosystems	1.5 Topic-related disclosure requirements	Other environmental topics
E5-IRO-1 – Description of the procedures for identifying and assessing the significant impacts, Risks and Opportunities relating to resource use and the circular economy	1.5 Topic-related disclosure requirements	Other environmental topics
G1-IRO-1 – Description of the procedures for identifying and assessing the material impacts, Risks and Opportunities	1.5 Topic-related disclosure requirements	Business conduct
E1-GOV-3 – Integration of sustainability-related performance in incentive schemes	1.2 Basic principles of Governance	Integration of sustainability-related performance in incentive schemes
E1-1 – Transition plan for climate change mitigation	2.1 Climate change	The HENSOLDT CO₂ reduction roadmap
E1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	1.5 Topic-related disclosure requirements	Climate change
E1-2 – Policies related to climate change mitigation and adaptation	2.1 Climate change	Environmental management
E1-3 – Actions and resources in relation to climate change policies	2.1 Climate change	Actions
E1-4 – Targets related to climate change mitigation and adaptation	2.1 Climate change	Targets in focus
E1-5 – Energy consumption and mix	2.1 Climate change	Energy consumption
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2.1 Climate change	Greenhouse gas emissions
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2.1 Climate change	Greenhouse gas removal and internal CO₂ pricing
E1-8 – Internal carbon pricing	2.1 Climate change	Greenhouse gas removal and internal CO₂ pricing
S1-SBM-2 – Interests and views of stakeholders	1.3 Strategy and business model	Consideration of the interests and views of stakeholders in the business strategy
S1-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3.3 Own workforce	Material impacts, risks and opportunities for own workforce and their interaction with strategy and business model
S1-1 – Policies related to own workforce	3.3 Own workforce	Overview of policies and actions taken
S1-2 – Processes for engaging with own workforce and workers' representatives about impacts	3.3 Own workforce	Processes for engaging with own workforce and workers' representatives about impacts
S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns	3.3 Own workforce	Channels for reporting and filing complaints and incidents
S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	3.3 Own workforce	Overview of policies and actions taken
S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3 Own workforce	Targets in focus
S1-6 – Characteristics of the undertaking's employees	3.3 Own workforce	Employment
S1-7 – Characteristics of non-employees in the undertaking's own workforce	3.3 Own workforce	Employment

Mandatory Disclosure	Section	Subsection
S1-8 – Collective bargaining coverage and social dialogue	3.3 Own workforce	Remuneration
S1-9 – Diversity metrics	3.3 Own workforce	Diversity & inclusion
S1-10 – Adequate wages	3.3 Own workforce	Remuneration
S1-12 – People with disabilities	3.3 Own workforce	Diversity & inclusion
S1-13 – Training and skills development metrics	3.3 Own workforce	Training and skills development at all stages of career and life
S1-14 – Health and safety metrics	3.3 Own workforce	Health & safety
S1-15 – Work-life balance metrics	3.3 Own workforce	Work-life balance
S1-16 – Remuneration metrics (pay gap and total remuneration)	3.3 Own workforce	Remuneration
S1-17 – Incidents, complaints and severe human rights impacts	3.3 Own workforce	Channels for reporting and filing complaints and incidents
S2-SBM-2 – Interests and views of stakeholders	1.3 Strategy and business model	Consideration of the interests and views of stakeholders in the business strategy
S2-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	3.4 Workers in the value chain	Material impacts, risks and opportunities for value chain workers and their interaction with strategy and business model
S2-1 – Policies related to value chain workers	3.4 Workers in the value chain	The HENSOLDT Supplier Code of Conduct
S2-2 – Processes for engaging with value chain workers about impacts	3.4 Workers in the value chain	Processes for engaging with value chain workers about impacts
S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.4 Workers in the value chain	Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	3.4 Workers in the value chain	Actions
S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4 Workers in the value chain	Targets in focus
S4-SBM-2 – Interests and views of stakeholders	1.3 Strategy and business model	Consideration of the interests and views of stakeholders in the business strategy
S4-SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business mode	3.5 Consumers and end-users	Material impacts, risks and opportunities for consumers and end-users and their interaction with strategy and business model
S4-1 – Policies related to consumers and end-users	3.5 Consumers and end-users	Policies related to consumers and end-users
S4-2 – Processes for engaging with consumers and end-users about impacts	3.5 Consumers and end-users	Processes for engaging with consumers and end-users about impacts
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.5 Consumers and end-users	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches	3.5 Consumers and end-users	Actions
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.5 Consumers and end-users	Actions
G1-GOV-1 – The role of the administrative, management and supervisory bodies	1.2 Basic principles of Governance	The role of the administrative, management and supervisory bodies
G1-1 – Business conduct policies and corporate culture	4.1 Business conduct	Policies

Mandatory Disclosure	Section	Subsection
G1-2 – Management of relationships with suppliers	4.1 Business conduct	Management of suppliers
G1-3 – Prevention and detection of corruption and bribery	4.1 Business conduct	Anti-corruption and bribery
G1-4 – Incidents of corruption or bribery	4.1 Business conduct	Anti-corruption and bribery
G1-5 – Political influence and lobbying activities	4.1 Business conduct	Political influence and lobbying activities
G1-6 – Payment practices	4.1 Business conduct	Management of suppliers

Phase-in disclosures

In this sustainability report, HENSOLDT has decided to report some of the S1 disclosures ahead of schedule. For the disclosures presented in the table below, HENSOLDT makes use of the phased-in application of disclosure requirements (“phase-in disclosures”) in accordance with ESRS 1, Appendix C.

Disclosure Requirement	Datapoints
ESRS 2-SBM-3.48e	Disclosure of the anticipated financial effects of the undertaking’s material risks and opportunities on its financial position, financial performance and cash flows over the short, medium and long term, including the reasonably expected time horizons for those effects.
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities.
S1-11	Information regarding social protection
S1-13.83a	Percentage of employees that participated in regular performance and career development reviews.
S1-14	Consideration of non-employees regarding health and safety metrics.
S1-14	Consideration of work-related ill health regarding health and safety metrics.

VI Takeover-relevant information and explanatory report

The takeover-relevant information and the explanatory report for fiscal year 2025 are provided in accordance with sections 289a and 315a of the German Commercial Code (HGB).

1 Composition of share capital

As of 31 December 2025, the share capital of HENSOLDT AG amounted to €115.5 million and is divided into 115,500,000 ordinary bearer shares (no-par value shares). The shares are fully paid up. All shares carry the same rights and obligations. The rights and obligations of shareholders are set out in detail in the provisions of the German Stock Corporation Act ("AktG"), especially sections 12, 53a et seq., 118 et seq. and 186 AktG.

2 Restrictions on voting rights or transfer of shares

Each share grants one vote at the Annual General Meeting and determines the shareholders' share in the company's profit. Excluded from this are treasury shares held by the Company, which do not entitle the Company to any rights pursuant to section 71b AktG. In the cases of section 136 AktG, the voting rights from the relevant shares are excluded by law. Violations against the notification requirements according to section 33 (1), section 38 (1) and section 39 (1) of the German Securities Trading Act (WpHG) can lead to a situation where rights arising from shares and also voting rights are at least temporarily suspended according to section 44 WpHG.

The German Federal Ministry for Economic Affairs and Energy (BMWE) may examine the direct or indirect acquisition of shares in the Company by a foreign acquirer if, following the acquisition, the acquirer will directly or indirectly hold 10% or more of the voting rights in the Company. According to the provisions in sections 60 et seq. of the German Foreign Trade and Payments Ordinance (Aussenwirtschaftsverordnung or AWV), the intended acquisition must be notified in writing to the BMWE which will only approve the acquisition if it does not raise any concerns in view of any essential security interests of the Federal Republic of Germany.

In the context of article 19 (11) of Regulation (EU) No. 596/2014 (Market Abuse Regulation) and in accordance with the internal guidelines for members of the Management Board and Supervisory Board of HENSOLDT AG, several specific restrictions exist regarding the purchase and sale of shares of HENSOLDT AG. These include, inter alia, certain trading bans in particular in the context with the publication of financials, as well as acquisition and holding obligations in connection with the remuneration of the Management Board.

The Company launched an employee share programme in October 2021. This programme allows shares to be issued to employees on a specific date each fiscal year based on a decision made annually by the Management Board. A tranche was last issued in October 2024. Under this programme, shares are acquired and held centrally by a service provider in its own name, but internally in trust for the participating employees. The rules of the employee share programme stipulate a one-year lock-up period from the acquisition date, during which the underlying shares may generally not be sold, encumbered or otherwise transferred by the participating employees.

Otherwise, the Management Board is not aware of any agreements by shareholders of HENSOLDT AG containing restrictions for the exertion of voting rights or the transfer of shares.

3 Shareholdings exceeding 10% of the voting rights

To the Company's knowledge, the following direct or indirect shareholdings in the voting capital of HENSOLDT AG exceeding 10% the voting rights existed as of the balance sheet date:

In a voting rights notification dated 26 March 2021, the Federal Republic of Germany announced that, in the context of an allocation transaction pursuant to section 2 (4) of the KfW Act, the German national development bank (Kreditanstalt für Wiederaufbau, KfW), based in Frankfurt am Main, acting in exercise of its acquisition right notified in a voting rights notification dated 29 September 2020, entered into a share purchase agreement on 24 March 2021 with Square Lux Holding II S.à r.l., Luxembourg (Square Lux) regarding a 25.1% shareholding in HENSOLDT AG and that, with this agreement, the acquisition rights of the Federal Republic of Germany have been transferred, in full, from the Federal Republic of Germany to KfW. In relation to the share capital of HENSOLDT AG, which was divided into 105,000,000 shares at this time, this represented a share of 25.1% of the voting rights.

With voting rights notification dated 27 May 2021 (date threshold triggered: 26 May 2021), the Federal Republic then announced that the share purchase and transfer agreement concluded as part of the allocation transaction of the Federal Republic of Germany had been executed on 26 May 2021, after the conditions for execution had been met. In its notification pursuant to section 43 (1) WpHG dated 14 June 2021, the Federal Republic of Germany reported on this process, inter alia, that the market acquisition of the voting rights in HENSOLDT AG serves the implementation and safeguarding of strategic objectives of the German Federal Government (Bund), inter alia, to protect the national security and defence industry key technologies defined in the German Federal Government's strategy paper on strengthening the security and defence industry dated 12 February 2020 and that the persons obliged to notify intend to influence appointments to administrative, management and mainly supervisory bodies at HENSOLDT AG.

As part of the capital increase against cash contributions recorded in the commercial register on 8 December 2023, which included the issue of 10,500,000 new shares, the Federal Republic of Germany, acting indirectly through the KfW, increased its investment in HENSOLDT AG by purchasing new shares proportionate to its shareholding of 25.1%.

With voting rights notification dated 13 December 2023 (date threshold triggered: 8 December 2023), Leonardo S.p.A. ("Leonardo") reported that 26,355,000 voting rights were still attributed to it. Based on the share capital of HENSOLDT AG, which is divided into 115,500,000 shares following the capital increase carried out in December 2023, this represents a shareholding of 22.8%.

Other direct or indirect shareholdings in the Company's capital exceeding 10% of voting rights have not been reported to the Company nor has the Company become aware of any such shareholdings in any other way.

4 Shares with special rights of control

Shares with special rights of control do not exist.

However, the Federal Republic of Germany (represented by the Federal Ministry of Defence together with the Federal Ministry for Economic Affairs and Energy or the corresponding ministry succeeding it in the respective function) is entitled, as soon as and for as long as it is a shareholder of the Company, to appoint one of the members attributable to the shareholders to the Supervisory Board. The Federal Republic of Germany furthermore has the right to delegate one further member attributable to the shareholders to the Supervisory Board, as long as the Federal Republic of Germany directly or indirectly holds shares amounting to at least 25.1% of the Company's share capital. Further details of this right of delegation, including further modalities of exercise, can be found in section 8 (2) of the Company's articles of association.

5 Type of voting rights control if employees have an interest in the capital and do not exercise their control rights directly

Employees who hold shares of HENSOLDT AG exercise their control rights in the same way as other shareholders in accordance with legal requirements and the articles of association. Under the terms of the employee share programme launched in October 2021, the shares acquired in the three tranches by participating employees are held in trust for the participants by a service provider. As long as the shares are held in trust, appropriate measures will be taken by the service provider to enable participating employees to exercise, directly or indirectly, their voting rights attached to the shares under management.

6 Legal requirements and provisions of the articles of association concerning the appointment and dismissal of members of the Management Board and amendments to the articles of association

The appointment and dismissal of members of the Management Board are governed by sections 84 and 85 of the German Stock Corporation Act (AktG) as well as section 31 of the German Codetermination Act (MitbestG). Pursuant to section 6 (1) of the articles of association, the Management Board consists of at least two members, with the number of members of the Management Board to otherwise be determined by the Supervisory Board. The articles of association also stipulate that the Supervisory Board may appoint a member of the Management Board as chair of the Management Board.

Pursuant to sections 119 (1) no. 6 and 179 AktG, any amendment of the articles of association requires a resolution by the Annual General Meeting. The authority to make amendments that only affect the wording is delegated to the Supervisory Board, in accordance with section 10 (9) of the articles of association.

Pursuant to section 179 (2) AktG, resolutions of the Annual General Meeting amending the articles of association require a majority of at least three quarters of the share capital represented when the resolution is adopted, unless the articles of association stipulate a different capital majority. Section 16 (2) of the articles of association of HENSOLDT AG stipulates a different capital majority in this respect. Accordingly, unless otherwise stipulated by the articles of association or by law, resolutions of the Annual General Meeting are adopted by a simple majority of the votes cast and, if a capital majority is also required, by a simple majority of the share capital represented when the resolution is adopted. However, the majority pursuant to section 16 (2) of the articles of association does not apply in particular to a change in the Company's business purpose, since in this respect only a larger capital majority may be specified in the articles of association according to section 179 (2) sentence 2 AktG. The capital majorities of at least three quarters of the share capital represented at the time the resolution is adopted, which are required by law for an amendment to the articles of association in addition to the simple majority of votes, also remain in full force and effect. This applies in particular to resolutions on the creation of conditional capital (section 193 (1) sentence 1 AktG), the creation of Authorised Capital (section 202 (2) sentence 2 AktG), a capital increase from company funds (section 207 (2) sentence 1 AktG), reductions of share capital (section 222 (1) sentence 1 AktG and section 229 (3) AktG), and the redemption of shares (section 237 (2) sentence 1 AktG).

7 Authority of the Management Board to issue or repurchase shares

7.1 Conditional capital

By resolution of the Annual General Meeting on 27 May 2025, the authorisation of the Management Board to issue convertible and/or warrant bonds, profit participation rights and/or participating bonds and Contingent Capital 2020/I, which had been in place until that date and was approved by the Annual General Meeting on 18 August 2020 under agenda item 1, was revoked. At the same time, the resolution adopted by the Annual General Meeting on 27 May 2025 authorised the Management Board, with the approval of the Supervisory Board, to issue, on one or more occasions until 26 May 2029, including simultaneously in different serial bond issues, bearer or registered subordinated or non-subordinated convertible bonds and/or warrant bonds, profit participation rights and/or participation bonds (or a combination of these instruments) with a total nominal value of up to €600.0 million. In addition, the holders or creditors of the aforementioned bonds may be granted conversion or option rights to a total of up to 23,100,000 no-par value bearer shares of HENSOLDT AG with a proportionate amount of the share capital totalling up to €23.1 million. These measures are in accordance with the respective terms and conditions of the aforementioned bonds. The terms and conditions may also provide for an option or conversion obligation at the end of the term or at an earlier date or at a specified end date.

The total volume of (i) shares issued from the Authorised Capital 2025 in accordance with section 4 (3) of the Articles of Association, and (ii) shares issued or granted to service a convertible bond or warrant bond issued with or without the exclusion of subscription rights, or to be issued or granted, provided that this bond was issued during the term of this authorisation, is limited to a nominal amount of €23.1 million.

The bonds may be issued in euros or in the legal currency of a member country of the Organisation for Economic Cooperation and Development (OECD), limited to the equivalent value in euros. If the issue is made in a currency other

than the euro, the corresponding equivalent value, calculated on the basis of the euro reference rate of the European Central Bank on the day before the resolution on the issue of the bond is passed, shall be used as a basis. They may also be issued by a subordinated group company of the Company in accordance with section 18 of the German Stock Corporation Act (AktG); in this case, the Management Board is authorised, subject to the approval of the Supervisory Board, to assume the guarantee for the bonds on behalf of the Company and to grant or impose option or conversion rights or obligations on the holders in respect of bearer shares with no par value of the Company. The bonds may be issued with or without a fixed term and may provide for option or conversion rights and/or option or conversion obligations at the end of the term or at any other time during the term. The bonds may have a fixed or variable interest rate. Furthermore, as with a participation bond, the interest rate may also depend in whole or in part on the amount of the company's dividends. Further details are contained in the authorisation resolution.

The shareholders are generally entitled to a subscription right to the bonds. The subscription right can also be granted in such a way that the bonds are taken over by one or more credit institutions, securities institutions or companies in accordance with section 186 (5) sentence 1 AktG with the obligation to offer them to the shareholders for subscription (indirect subscription right). If bonds are issued by a group company of HENSOLDT AG pursuant to section 18 AktG, the Company must ensure that the statutory subscription right is granted to the Company's shareholders in accordance with the preceding sentence.

However, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude the subscription right of shareholders

- in order to exclude fractional amounts from the subscription right;
- in order to grant holders of option and/or conversion rights or the debtors of corresponding option rights and/or profit participation rights that have already been issued by the Company or its group companies within the meaning of section 18 of the German Stock Corporation Act (AktG), to the extent that they would be entitled to conversion or subscription rights to new shares after exercising their conversion or option rights or after fulfilling any option or conversion obligations;
- where bonds are issued against contributions in kind, to offer the bonds to third parties as (partial) consideration for the direct or indirect acquisition of companies, parts of companies or interests in companies, or in the case of business combinations and the acquisition of other assets, including rights and receivables;
- where the bonds are issued in return for cash payment, provided that the Management Board, after due examination, is of the opinion that the issue price of the bond is not significantly lower than its theoretical market value calculated in accordance with recognised methods, in particular financial valuation methods. The calculated value of the share capital attributable to shares to be issued or granted on the basis of bonds that are issued under this authorisation with the exclusion of subscription rights in accordance with Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG) may not exceed 10.0% of the share capital, either at the time this authorisation becomes effective or – if this value is lower – at the time it is exercised. Shares sold or issued under exclusion of subscription rights pursuant to section 186 (3) sentence 4 German Stock Corporation Act (AktG) during the term of this authorisation up to the issue of the bonds with option or conversion rights or option or conversion obligations without subscription rights pursuant to section 186 (3) sentence 4 AktG shall count towards the aforementioned 10.0% limit.

Insofar as participating bonds are issued without conversion rights or conversion obligations or option rights, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude the shareholders' subscription rights altogether if these participating bonds have bond-like features, i.e. do not confer any membership rights in the Company, do not grant any participation in liquidation proceeds, and the amount of interest is not calculated on the basis of the amount of net income for the year, of the net retained profits or of the dividend. Also in this case, the interest rate and the issue amount of participating bonds must correspond to the current market conditions for comparable borrowings at the time of issue.

- The calculated value of the share capital attributable to shares to be issued or granted on the basis of conversion/option rights and/or conversion/option obligations from bonds issued under this authorisation, excluding subscription rights, may not exceed 10% of the share capital at the time this authorisation becomes effective or – if this value is lower – at the time of exercising this authorisation.

The aforementioned capital limit shall include the proportionate share capital attributable to shares that

- are issued during the term of this authorisation from authorised capital with the exclusion of subscription rights, except for an exclusion of subscription rights for fractional amounts;
- were issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorisation with the exclusion of subscription rights, or are to be issued or granted;

- during the term of this authorisation, until the relevant resolution on the issuance of the bond as treasury shares without subscription rights is adopted by virtue of an authorisation by the Annual General Meeting in accordance with section 71 (1) no. 8 of the German Stock Corporation Act (AktG), excluding subscription rights, except for an exclusion of subscription rights for fractional amounts.

In order to grant shares to the holders or creditors of the aforementioned instruments, the share capital of HENSOLDT AG is conditionally increased by up to €23.1 million, divided into up to 23,100,000 no par value bearer shares (Conditional Capital 2025). Further details of the Conditional Capital 2025 can be found in section 4 (4) of the articles of association.

7.2 Authorised capital

By way of a resolution adopted by the Annual General Meeting on 27 May 2025, the authorisation granted to the Management Board pursuant to section 4 (3) of the Articles of Association to increase the share capital on or before 11 August 2025 with the approval of the Supervisory Board through cash and/or non-cash contributions (Authorised Capital 2020/I) was revoked and new authorised capital was created, and section 4 (3) of the Articles of Association was amended accordingly. This authorises the Management Board to increase the share capital in the period up to 26 May 2029, with the approval of the Supervisory Board, by issuing new no-par value bearer shares in return for cash and/or non-cash contributions, on one or more occasions, by a total of up to €23.1 million (Authorised Capital 2025).

The total volume of (i) shares issued from the Authorised Capital 2025 and (ii) shares issued or granted to service a convertible bond or warrant bond issued with or without the exclusion of subscription rights, or which are to be issued or granted, provided that this bond was issued during the term of Authorised Capital 2025, is limited to a nominal amount of €23.1 million.

When shares are issued from Authorised Capital 2025, shareholders must generally be granted subscription rights. However, the Management Board is authorised, subject to the approval of the Supervisory Board, to exclude subscription rights of shareholders

- in order to exclude fractional amounts from shareholders' subscription rights in the event of capital increases against cash contributions or contributions in kind;
- to grant subscription rights to the new bearer shares with no par value to holders or creditors of option or conversion rights granted or option or conversion obligations imposed by the Company or by its direct or indirect affiliated companies in the scope to which they would be entitled as shareholders after exercising the option or conversion right or after fulfilling the option or conversion obligation as shareholders;
- insofar as the capital increase takes place against contributions in kind, in the case of the (incl. indirect) acquisition of companies, parts of companies, participations in companies or other assets, including rights and receivables, or in the context of business combinations;
- in the case of capital increases against cash contributions, if the subscription price for which the new no-par value bearer shares are issued does not significantly fall short of the market price at the time of final determination of the amount of which the shares are issued, which should be as close as possible to the placement of the no-par value bearer shares (simplified exclusion of subscription rights pursuant to section 186 (3) sentence 4 AktG). The shares issued under exclusion of the subscription right in accordance with section 186 (3) sentence 4 AktG shall not exceed a total of 10% of the share capital existing at the time this authorisation becomes effective or – if this value is lower – at the time when the resolution on the initial exercise of this authorisation is made. This maximum limit of 10.0% of the share capital shall be offset by the prorated amount of the share capital attributable to those shares issued or sold during the term of the Authorised Capital 2025 under an authorisation to sell treasury shares in accordance with sections 71 (1) no. 8 sentence 5, 186 (3) sentence 4 AktG with the exclusion of subscription rights. Also be taken into account is the proportionate amount of the share capital attributable to the shares issued during the term of the Authorised Capital 2025 based on other authorisations to issue shares of the company, excluding shareholders' subscription rights, in direct or corresponding application of Section 186 (3) sentence 4 of the German Stock Corporation Act (AktG).

The total calculated value of the share capital attributable to shares issued from the Authorised Capital 2025, excluding shareholders' subscription rights, may not exceed 10% of the share capital at the time the authorisation takes effect or, if lower, of the share capital at the time of its utilisation. The proportionate share capital attributable to shares issued for fractional amounts from Authorised Capital 2025 shall not be counted towards this capital limit. However, the proportionate share capital attributable to the following shall be included in the calculation:

- shares that were issued or granted or are to be issued or granted on the basis of a convertible bond or warrant bond issued during the term of this authorisation with the exclusion of subscription rights;

- shares that are sold or used as treasury shares during the term of this authorisation until the respective resolution on the issue of the bond without subscription rights is passed, on the basis of an authorisation by the Annual General Meeting in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG), excluding subscription rights, with the exception of a subscription right exclusion for fractional amounts.

The new shares shall become profit-sharing from the beginning of the financial year in which they are issued. To the extent permitted by law, the Management Board may, with the approval of the Supervisory Board, deviate from this provision and from section 60 (2) of the German Stock Corporation Act (AktG) and stipulate that the new shares shall participate in profits from the beginning of a financial year that has already ended and for which no resolution has yet been adopted by the Annual General Meeting on distribution of the retained earnings at the time of their issue. In accordance with Section 186 (5) of the German Stock Corporation Act (AktG), the new shares may also be acquired by a credit institution, securities institution or a company operating in accordance with Section 53 (1) sentence 1 or Section 53b (1) sentence 1 or (7) of the German Banking Act (Kreditwesengesetz) with the obligation to offer the shares to shareholders for subscription (indirect subscription right).

The Management Board is also authorised, subject to the approval of the Supervisory Board, to determine the further details of the capital increase and its implementation.

7.3 Share buyback

By resolution of the Annual General Meeting on 27 May 2025, the authorisation granted to the Management Board to acquire treasury shares representing up to 10% of the Company's share capital and to use treasury shares, previously in place and adopted by the Annual General Meeting on 18 August 2020 under agenda item 2, was revoked. At the same time, the resolution passed by the Annual General Meeting on 27 May 2025 also authorised the Management Board to acquire the Company's treasury shares up to a total of 10% of the Company's share capital existing at the time this authorisation takes effect or, if this value is lower, at the time this authorisation is exercised, until 26 May 2029. The authorisation may be exercised, in each case individually or jointly, by third parties on behalf of the Company or one of its group companies within the meaning of Section 18 AktG, provided that the legal requirements, in particular Section 71 (2) AktG, are met. The authorisation to acquire and use treasury shares may be exercised in full or in part, once or on several occasions. The shares acquired on the basis of this authorisation, together with other shares of the Company that the Company has already acquired and still holds or that are attributable to it, may at no time account for more than 10% of the respective share capital.

At the discretion of the Management Board, the shares may be purchased (i) on the stock exchange, (ii) by means of a public purchase offer open to all shareholders, (iii) via a public invitation to shareholders to submit offers to sell, (iv) via a public exchange offer for shares in a company listed on the stock exchange within the meaning of section 3 (2) of the German Stock Corporation Act (AktG), or (v) by granting tender rights.

- If treasury shares are purchased on the stock exchange, the purchase price paid by the Company (excluding incidental acquisition costs) per share shall not exceed the average closing price of the Company's no-par value shares on the three preceding trading days in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange by more than 10% or fall below it by more than 20%.
- If the shares are purchased via a public purchase offer, the purchase price offered and paid (excluding incidental acquisition costs) may not exceed the average closing price of the no-par value shares in the Xetra trading system on the Frankfurt Stock Exchange (or a comparable successor system) by more than 10% and may not fall below it by more than 20% on the three trading days preceding the publication of the purchase offer.
- In the event of a public invitation to submit offers to sell or an acquisition via the granting of tender rights, the consideration paid by the company per share (excluding incidental acquisition costs) may not exceed the average closing price of the no-par value shares in the Xetra trading system (or a comparable successor system) on the Frankfurt Stock Exchange by more than 10% nor fall below it by more than 20% on the three trading days preceding the date of acceptance of the offers to sell or the date of the final decision by the Management Board on the granting of tender rights.
- If, after the publication of a public purchase offer, a public invitation to submit offers for sale or the granting of tender rights, there are significant price deviations from the offered purchase or sale price or deviations from the limits of any purchase or sale price range, then the public purchase offer, the invitation to submit offers to sell or the tender rights may be adjusted. In this case, the relevant amount shall be determined by the price on the last trading day prior to the publication of the adjustment; the 10% or 20% limit for exceeding or falling below this amount shall apply.
- If shares are acquired via a public exchange offer in exchange for shares in a company listed on the stock exchange in accordance with section 3 (2) of the German Stock Corporation Act ("exchange shares"), the exchange price paid by the company (in the form of one or more exchange shares, any fractional shares and any cash component) per

share of HENSOLDT AG (excluding incidental acquisition costs) may not exceed the relevant value of a share of HENSOLDT AG by more than 10% and may not fall below it by more than 20%. The basis for calculating the relevant value of each HENSOLDT AG share and each exchange share shall be the average closing price in the Xetra trading system (or a comparable successor system) on the three trading days preceding the Management Board's decision on the offer or the acceptance of offers from shareholders. If the exchange shares are not traded on Xetra, the closing price of the stock exchange on which the exchange shares recorded the highest trading volume in the previous calendar year shall determine the relevant value.

The volume of the public purchase offer, exchange offer or public invitation to submit offers to sell may be limited. If a public purchase offer, exchange offer or public invitation to submit offers to sell is oversubscribed, acceptance must be based on the ratio of the shares tendered (tender ratios). Preferential acceptance or preferential acquisition of small numbers of up to 50 tendered shares per shareholder may be permitted. Additionally, rounding down may be permitted to avoid fractional shares. Any other tender rights of shareholders are excluded in this respect. Furthermore, the overall volume of tender rights offered to shareholders may be limited. If shareholders are granted tender rights for the purpose of acquiring shares, these rights will be allocated to shareholders proportionately to the number of shares they hold, in accordance with the ratio of the volume of shares to be repurchased by the company to the share capital. Fractions of tender rights do not have to be allocated; in this case, any partial tender rights are excluded. Details of the respective acquisition, in particular any purchase offer or invitation to submit offers for sale, shall be determined by the Management Board. This also applies to the details of any tender rights, particularly with regard to their term and, if applicable, their tradeability. Capital market law and other legal restrictions and requirements must also be observed.

The Management Board is authorised to use the treasury shares acquired on the basis of this authorisation or previous authorisations as follows:

- (i) The treasury shares may be sold on the stock exchange or, with the approval of the Supervisory Board, through a public offer to all shareholders on the basis of their shareholding ratio.
- (ii) The treasury shares may, with the approval of the Supervisory Board, be sold in a way other than via the stock exchange or by means of an offer to all shareholders, provided that the sale is for cash and at a price which is not significantly lower than the stock market price of shares in the Company with same specifications at the time of the sale (simplified exclusion of subscription rights pursuant to section 186 (3) sentence 4 AktG). The shares sold on the basis of this authorisation shall not exceed a total of 10% of the share capital, either at the time the resolution is adopted by the Annual General Meeting or at the time this authorisation is exercised. The maximum limit of 10% of the share capital shall be reduced by the pro rata amount of the share capital attributable to those shares issued during the term of this authorisation with exclusion of subscription rights in direct or analogous application of section 186 (3) sentence 4 AktG. Furthermore, this limit shall be reduced by shares issued or issuable to service option or conversion rights, provided that the bonds were issued during the term of this authorisation under exclusion of subscription rights in accordance with section 186 (3) sentence 4 AktG.
- (iii) The treasury shares can, with the approval of the Supervisory Board, be transferred to third parties in return for contributions in kind, as (partial) consideration for the direct or indirect acquisition of companies, parts of companies, or equity interests in companies, or in connection with business combinations, as well as in connection with the acquisition of other assets, including rights and receivables.
- (iv) The treasury shares may be used to fulfil option or conversion rights or option or conversion obligations or a share delivery right of the company that arise from option and/or convertible bonds and/or profit participation rights which the company or one of its group companies within the meaning of Section 18 of the German Stock Corporation Act (AktG) has issued or may issue on the basis of an authorisation by the Annual General Meeting.
- (v) With the approval of the Supervisory Board, treasury shares may be used for the benefit of persons who are or were in an employment relationship with the Company or one of its group companies within the meaning of Section 18 of the German Stock Corporation Act (AktG), as well as for the benefit of members of the governing bodies of such group companies, provided that the employment, other employment or governing body relationship exists at the time of the offer or commitment. Further details of any commitments and transfers, including any direct consideration, possible eligibility requirements, holding or blocking periods and expiry or compensation provisions, particularly for special cases such as retirement, incapacity for work or death, are determined by the Management Board.
- (vi) The treasury shares may be used to list the company's shares on foreign stock exchanges where they have yet to be admitted to trading. The price at which these shares are listed on foreign stock exchanges may not be more than 5% below the arithmetic mean of the prices of the Company's shares in the closing auction in the Xetra trading system (or a corresponding successor system) on the Frankfurt Stock Exchange during the last three trading days prior to the date of listing on the foreign stock exchange, without taking into account incidental acquisition costs.
- (vii) The treasury shares can be retired without any further resolution by the Annual General Meeting. The retirement generally leads to a capital reduction. In derogation of this, the Management Board may determine that the share

capital shall remain unchanged and instead the retirement shall increase the proportion of the share capital represented by the remaining shares in accordance with section 8 (3) AktG. In this case, the Management Board is authorised to adjust the number of shares stated in the articles of association.

If the acquired treasury shares are used for one or more of the purposes specified in (ii) to (vi) above, the shareholders' subscription rights are excluded. The authorisations in (ii) to (vi) may also be exercised by Group companies subordinate to the Company or by third parties on behalf of the Company or its subordinate Group companies. Sale of shares by means of a public offer to all shareholders that complies with the principles of equal treatment, authorises the Management Board to exclude subscription rights for fractional amounts.

The shares used or sold on the basis of this authorisation with the exclusion of subscription rights may not exceed a total of 10% of the Company's share capital; the lowest existing share capital of the Company at the time this authorisation takes effect or at the time of the resolution on the exercise of this authorisation shall be decisive in this respect.

The maximum limit of 10% of the share capital shall be calculated taking into account the proportionate amount of the share capital attributable to

- (i) shares that are or may be issued on the basis of bonds with an option or conversion right or an option or conversion obligation or a share delivery right of the company, providing that the bonds were issued during the term of this authorisation with exclusion of subscription rights;
- (ii) new shares issued from authorised capital during the term of this authorisation, excluding subscription rights, with the exception of an exclusion of subscription rights for fractional amounts.

The details of the authorisation and particularly the limits of the possibility to exclude subscription rights and the offsetting modalities, are set out in the authorisation resolution.

8 Significant agreements of the Company that are subject to a change of control due to a takeover bid

On 2 April 2025, HENSOLDT AG, as the borrower, entered into a facilities agreement totalling €1,800 million with a banking consortium comprising a total of 13 banks. The credit agreement ('Facilities Agreement') comprises various credit facilities and replaces the previous financing arrangement which comprised the term loan and term facility totalling €1,070 million and the revolving credit line of €370 million. The newly agreed long-term syndicated loan agreement originally consisted of a term loan with a volume of €850 million, a bridge loan of €150 million and a revolving credit line of €400 million. Additionally, a guarantee line of €400 million was agreed with the banking syndicate. The bridge loan has already been repaid through the issuance of a promissory note loan in July 2025.

On 10 July 2025, a promissory note loan for a total volume of €300 million was issued, divided into five tranches. The issuance of the promissory note loan replaced the €150 million bridge loan taken out in April 2025.

The credit agreement and the promissory note loan contain a "change of control" clause, which is triggered if one or more persons directly or indirectly acquire more than 50.0% of the voting rights in HENSOLDT AG. KfW and Leonardo are exempt from this provision. In the event of a change of control, the loan and the promissory note loan may be called in for repayment immediately.

9 Compensation agreements concluded by the Company with members of the Management Board or employees in the event of a takeover bid

For the event of a change of control, HENSOLDT AG has not concluded any compensation agreements with its employees or with members of the Management Board or with managing directors or with employees of any direct or indirect subsidiaries.

VII Corporate governance statement³³

In this corporate governance statement, we report on the principles of corporate management and corporate management practices and on significant structures of our corporate governance for the past fiscal year in accordance with sections 289f and 315d German Commercial Code (HGB). It also includes the declaration of conformity pursuant to section 161 German Stock Corporation Act (AktG).

The corporate governance statement is part of the Combined Management Report for HENSOLDT AG and the Group. In accordance with section 317 (2) sentence 6 HGB, the audit of the statements pursuant to section 289f (2) and (5) and section 315d HGB is limited to verifying whether the statements have been made. The statement on corporate governance is therefore unaudited in terms of content.

1 Fundamentals

HENSOLDT promotes the principles of good corporate governance in the sense of responsible, transparent corporate management and control aimed at increasing the value of the Company in the long term. This is a prerequisite for fostering the trust of national and international investors and financial markets, business partners, employees and the public in HENSOLDT. HENSOLDT Group bases its activities on the recommendations and suggestions of the German Corporate Governance Code (“GCGC” or “Code”) in the version dated 28 April 2022.

2 Declaration of Conformity pursuant to section 161 AktG

The Management Board and Supervisory Board of HENSOLDT AG were subject to the obligation under section 161 AktG to issue a declaration of conformity with the Code throughout the entire fiscal year. The Management Board and Supervisory Board issued the following declaration on the Code by its resolutions dated 18/26 November 2025:

“The Management Board and the Supervisory Board declare that since the submission of the last Declaration of Conformity on 29 November/10 December 2024, the recommendations of the German Corporate Governance Code in the version of 28 April 2022, published in the Federal Gazette on 27 June 2022, have been complied with and will continue to be complied with.”

Taufkirchen, 18/26 November 2025

HENSOLDT AG

Management Board

Supervisory Board”

The declaration of conformity, as printed above, is also available on the website of HENSOLDT at <https://investors.hensoldt.net> in the “Corporate Governance” section. Future declarations of conformity by the Company shall also be published there, and the respective declarations of conformity remain available for at least five years.

³³ Section VII. Corporate governance statement is unaudited.

3 Remuneration of Management Board and Supervisory Board

The Remuneration Report for fiscal year 2025 was prepared jointly by the Management Board and the Supervisory Board and will be published together with the auditor's opinion in accordance with Section 162 German Stock Corporation Act (AktG) and the current remuneration systems for the members of the Management Board and the Supervisory Board on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

The Remuneration Report and the auditor's opinion on the Remuneration Report will be kept publicly available in accordance with the statutory regulations. For more information on the remuneration, refer to the notes to the Consolidated Financial Statements of HENSOLDT Group 2025 and the notes to the Financial Statements 2025 of HENSOLDT AG.

The applicable remuneration system for the members of the Management Board pursuant to section 87a AktG was approved by the Annual General Meeting on 18 May 2021 with a majority of 97.98% of the valid votes cast. The remuneration system for the members of the Management Board pursuant to section 87a AktG was last amended in 2025 with effect from 1 January 2025 and was approved by the Annual General Meeting on 27 May 2025 with a majority of 85.36% of valid votes cast. The adjustment to the remuneration system involves aligning the shares to be held by the Management Board members – with the exception of the chair of the Management Board – according to the Share Ownership Guidelines.

The resolution on the remuneration and the remuneration system of the Supervisory Board pursuant to section 113 AktG was adopted at the Annual General Meeting of 18 May 2021 with a majority of 99.99% of the valid votes cast. The last amendment to the remuneration rules in § 12 of the Articles of Association and to the remuneration system for the members of the Supervisory Board, applicable from 1 January 2024, was approved by the Annual General Meeting on 17 May 2024 with a majority of 99.88% of the valid votes cast. The adjustment included an increase in remuneration, including an increase in the maximum remuneration.

Further information on the currently applicable remuneration system of the Management Board as well as the Supervisory Board, including the respective resolutions of the Annual General Meeting, can be found on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

4 Disclosures on corporate governance practices

4.1 Principles

HENSOLDT's corporate governance embodies a commitment to responsible leadership, global cooperation and operational performance excellence. Led by a dedicated Management Board, HENSOLDT harnesses its international presence and structured organisation to drive innovation and meet the evolving needs of the defence sectors. This approach safeguards transparency, accountability and the strategic alignment of HENSOLDT's global endeavours.

HENSOLDT has set out the following values that drive HENSOLDT:

Entrepreneurship: This single word encapsulates what everyone at HENSOLDT is committed to: acting on behalf of the company, making decisions, continuously pursuing excellence and taking responsibility – all in the best interests of its customers.

Excellence: Excellence is truly the foundation of HENSOLDT's success – but only when combined with efficiency, agility and simplicity. It is not an end in itself, and only becomes valuable when it offers added value for the customer.

Responsibility: Responsibility means making the world a safe place, owning decisions and actions, and treating colleagues and customers with reliability.

Innovation: Innovation is not a one-off event: it is a continuous process that requires curiosity, creativity and passion – and the courage to think outside the box and be prepared to make mistakes.

4.2 Suggestions of the Code

In the reporting period, HENSOLDT voluntarily complied with the suggestions of the Code.

4.3 The HENSOLDT Code of Conduct – the "Standards of Business Conduct"

HENSOLDT is committed to the core values of integrity, quality, trust and innovation, thus securing future success. The Standards of Business Conduct set out the ethical and legal framework according to which HENSOLDT operates. They contain the fundamental principles and rules that govern the conduct of all HENSOLDT employees. As it is also important for HENSOLDT that the high standards regarding accountability are met by suppliers, HENSOLDT requires its suppliers to follow the same rules of conduct.

More information on the Standards of Business Conduct can be found in section ["V Sustainability Report"](#) of this Annual Report.

HENSOLDT's Standards of Business Conduct are available on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

4.4 Compliance

HENSOLDT's compliance programme aims to ensure the compatibility of its business activities with applicable law and regulations, but also with internal requirements and ethical principles, and to develop a culture of integrity. To achieve this, HENSOLDT has developed and implemented a comprehensive compliance programme specifically designed for the individual risk profile of the HENSOLDT Group.

More information on the HENSOLDT compliance programme is available in section ["V Sustainability Report"](#) of this Annual Report and also on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section under "Compliance Framework".

4.5 Risk and control management

Functioning control systems are an essential component of stable business processes. HENSOLDT's Group-wide control systems are embedded in an overall concept, which, among other things, takes into account statutory regulations, the recommendations of the German Corporate Governance Code, international regulations and recommendations, and other company-specific guidelines. The persons responsible for the individual elements of the control system work closely together as well as with the Management Board and report regularly to the Supervisory Board or its committees. Likewise, HENSOLDT Group has a group-wide adequate and effective risk management system which describes and regulates functions, processes and responsibilities in a binding manner. The internal risk control management system also covers sustainability-related objectives, where these are not already required by law, and includes processes and systems for recording and processing sustainability-related data. The internal control system and the risk management system also include a compliance system based on the risk situation of the company. Key features of the entire internal control and risk management system are explained in section ["IV Opportunities and risks report"](#).

The Management Board possesses no indications or information that the internal control system or the risk management system were inadequate in any material respect in the reporting year. Any findings made during audits of the internal control system or the risk management system were promptly remedied by the group companies involved. Various analyses and checks were carried out in the reporting year which support this assessment by the Management Board.

4.6 Sustainability

HENSOLDT is aware of its special responsibility and knows the impact of its activities on society and the environment. HENSOLDT is committed to conducting its business sustainably and responsibly at all times. In fiscal year 2024 a new sustainability strategy was developed, containing five key strategy topics based on the material topics of sustainability

strategy. The targets and actions derived from the strategy were pursued further in the fiscal year 2025. These key topics can be found in section "[V Sustainability report](#)".

4.7 Shareholders and general meeting

The shareholders of HENSOLDT AG exercise their rights at the Annual General Meeting. The Annual General Meeting decides on all matters assigned to it by law, including the appropriation of profits, approval of the actions of the members of the Management Board and the Supervisory Board, and the election of the auditor. The Annual General Meeting also elects those Supervisory Board members who are shareholders' representatives.

The reports, documents and information required by law for the Annual General Meeting, including the Annual Report as well as the agenda for the Annual General Meeting and any counter motions or election proposals from shareholders which have to be made accessible, are available on the internet.

The sixth ordinary Annual General Meeting of HENSOLDT AG will take place on 22 May 2026, and the Management Board and the Supervisory Board have decided to conduct this meeting in 2026 as a virtual meeting.

4.8 Management Board and Supervisory Board shareholdings

Pursuant to article 19 of Regulation (EU) No. 596/2014 on market abuse, members of the Management Board and the Supervisory Board as well as persons closely associated with them are legally obliged under certain circumstances to disclose transactions made in shares of HENSOLDT AG or in derivatives relating thereto or in other related financial instruments.

A process is established to properly disclose these transactions in the event of such notification. The reported transactions are available on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

4.9 Corporate communication and transparency

Corporate communication provides comprehensive and timely information. All mandatory publications are made available on the website of HENSOLDT at <https://investors.hensoldt.net>. Numerous publications, for example ad hoc announcements, press releases and interim and annual reports, are issued in German and English. HENSOLDT organises press conferences and conference calls for important occasions. The Management Board is responsible for HENSOLDT's communication with shareholders, shareholder associations, financial analysts, the media and the interested public on the Company's development and significant events. The current financial calendar, which provides information on all significant publication and event dates, is also available on the website of HENSOLDT at <https://investors.hensoldt.net>.

The articles of association, the rules of procedure of the Supervisory Board, reports of the Supervisory Board from fiscal year 2020 onwards, the Declaration of Conformity from fiscal year 2020 onwards, and the Corporate Governance statement from fiscal year 2020 onwards are available on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

5 Working methods of Management Board and Supervisory Board³⁴

The actions of the Management Board and Supervisory Board of HENSOLDT AG are based on the principle of responsible corporate management and control (corporate governance). The cooperation between the two committees reflects a relationship of mutual trust.

On the basis of section 90 AktG, the Management Board informs the Supervisory Board regularly, promptly, comprehensively and generally in text form about all issues of strategy, planning, business development, risk situation,

³⁴ The information in this section satisfies the disclosure requirements under ESRS in the Sustainability Report on ESRS GOV-1 – The role of administrative, management and supervisory bodies.

risk management and compliance that are relevant to the Company. The Management Board discusses the status of strategy implementation with the Supervisory Board at regular intervals and addresses any deviations in the course of business from adopted plans and targets, including an explanation regarding the reasons. The chairs of the two boards meet regularly to discuss all relevant current issues, also at short notice and with regard to specific events.

5.1 Management Board of HENSOLDT AG

Working methods of the Management Board

The Management Board manages the Company on its own responsibility. In doing so, it is bound to the interests of the Company and committed to increasing the sustainable value of the Company. The Management Board identifies and assesses the opportunities and risks for the Company associated with the social and environmental factors, as well as the environmental and social impact of the Company's activities. In addition to long-term economic objectives, it also takes due account of environmental and social objectives in an appropriate manner. Its business planning includes financial- and sustainability-related goals. For this purpose, HENSOLDT has developed an ESG Strategy 2026, which defines the sustainability topics that are essential for the company in five categories. The Board's main tasks include defining the Company's objectives and strategic direction, managing and monitoring the operating units, and establishing and monitoring an efficient risk management system. The Management Board is responsible for the preparation of the Consolidated Financial Statements and the Annual Financial Statements as well as the preparation of interim financial information of HENSOLDT AG. The Management Board is also responsible for ensuring compliance with legal requirements and official regulations.

The members of the Management Board are jointly responsible for the overall management of the Company and its direct and indirect subsidiaries within the meaning of section 290 German Commercial Code (HGB). They work together as colleagues and inform each other on an ongoing basis about important measures and events within their respective board business area. Irrespective of the overall responsibility, each member of the Management Board is responsible for managing the board business area assigned to them. As far as measures and transactions of one board business area simultaneously affect another or several other board business areas, the respective member of the Management Board must first consult with the other member(s) involved. If no agreement can be reached, each member of the Management Board involved shall be obliged to call for a Management Board resolution.

The current Management Board covers three functional responsibilities: the position of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Chief Human Resources Officer/CHRO, with the CHRO also serving as Labour Director. The business allocation plan assigns specific business areas to the respective Management Board members. The business allocation plan is reviewed by the Supervisory Board at regular intervals and adjusted as necessary. The CEO's responsibilities include, inter alia, the supervision of the divisions allocated to the segments. The CEO is also responsible for Legal & Compliance, Group Strategy and M&A, Group Sales & Account Management, Global Business Development, Communications & Marketing and Technology & Innovation and Technology & Innovation. The CFO is primarily responsible for the departments Finance & Controlling, Investor Relations, Commercial & Offset, Internal Audit/Enterprise Risk Management, Information Management, Group Supply Chain Management (Industry, Procurement and Quality) and Group Transformation. In addition to Human Resources, the CHRO is responsible for Facility Management Services, Health, Safety and Environment, and Security and Sustainability. Within their respective functional areas of responsibility, the members of the Management Board each have – relating to all parts of the Company – the authority to issue directives, the duty of supervision and the duty to coordinate, without prejudice to the continuing overall responsibility of the Management Board. This also applies towards the heads of entities with their own legal form and towards HENSOLDT Group companies abroad, unless this is not legally permissible in individual cases.

The detailed structure of the work of the Management Board is determined by the rules of procedure, which are issued by the Supervisory Board; the Supervisory Board reviews the rules of procedure on a regular basis to determine whether any adjustments are required. These rules of procedure govern, among other things, matters reserved for a decision by the whole Management Board, special measures requiring the approval of the Supervisory Board as well as other procedural and resolution modalities. The Management Board meets regularly at Management Board meetings. These are convened by the Chair of the Management Board, who coordinates the work of the Management Board. Any member of the Management Board may request the convening of a meeting. In accordance with the rules of procedure, the Management Board regularly adopts resolutions by a simple majority of the members participating in the resolution. In the event of a tie, the vote of the Chair of the Management Board shall be decisive, provided that the Management Board comprises more than two members.

Composition of the Management Board

Pursuant to section 6 (1) of the articles of association, the Management Board of HENSOLDT AG consists of at least two persons. In the reporting period, the Management Board comprised three members: Oliver Dörre as Chair (CEO), Christian Ladurner as CFO and Dr. Lars Immisch as CHRO.

With the end of the reporting period, Dr Lars Immisch resigned from his position as a member of the Executive Board, CHRO and Labour Director, with effect from 31 December 2025. The responsibilities assigned to Dr Lars Immisch in the business distribution plan during the reporting period will be transferred to Oliver Dörre and Christian Ladurner on 1 January 2026: Oliver Dörre will also assume the role of CHRO and Labour Director, as well as responsibility for Security and Health, Safety and Environment. Christian Ladurner will also be assigned responsibility for Facility Management Services and Sustainability. By a resolution adopted by the Supervisory Board, Inka Tews was appointed as a member of the Management Board effective from 1 May 2026 for a term of 3 years.

Further information on the personnel composition and the curricula vitae, and areas of responsibility of the individual Management Board members can be found on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section. This also contains information, if available, on other mandates held by members of the Management Board outside the HENSOLDT Group. In addition, the composition of the Management Board is presented in the notes to the Consolidated Financial Statements.

The members of the Management Board are appointed by the Supervisory Board on the proposal of the Presidial Committee. In any appointment decisions, the Supervisory Board takes into account diversity aspects such as age, gender, educational or professional background. In particular, the Supervisory Board aims to give appropriate consideration to women. The flexible age limit for members of the Management Board stipulates that members of the Management Board should generally not be older than 65. The flexible age limit is formulated in a soft way in order to give a certain degree of flexibility to the Supervisory Board in its appointment decisions.

For further information on the representation of women on the Boards of HENSOLDT AG, please refer to the section ["5.4 Disclosure on the representation of women on the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG"](#).

As part of the succession planning for the Management Board, the Chair of the Supervisory Board, who is also the Chair of the Presidial Committee, regularly discusses suitable internal candidates with the Management Board and involves the Presidial Committee in the considerations or discussions. In addition, the Presidial Committee will also evaluate external candidates for Management Board positions as required and, if necessary, will seek the help of external service providers.

5.2 Supervisory Board of HENSOLDT AG

Working methods of the Supervisory Board

The Supervisory Board monitors and advises the Management Board in the management of the Company. The Supervisory Board's monitoring and advising of the Management Board also includes sustainability issues. It supports the Management Board in major business decisions and assists in matters of strategic importance. Measures requiring the approval of the Supervisory Board have been defined by the Supervisory Board in the rules of procedure for the Management Board. Furthermore, the Supervisory Board appoints the members of the Management Board, determines their total remuneration and reviews the Consolidated and Annual Financial Statements of HENSOLDT AG, as well as the Combined Management Report.

At least two Supervisory Board meetings are held each calendar half-year. Extraordinary meetings are held as required. The committees also hold regular meetings. The resolutions of the Supervisory Board require a majority of the votes cast, unless otherwise stipulated by law. If a vote results in a tie, each member of the Supervisory Board has the right to demand a new vote on the same matter. If this also results in a tie, the Chair has two votes.

In the previous fiscal year, the departure of Dr. Lars Immisch, his successor, and the interim amendment of the rules of procedure for the Management Board (amendment of the business distribution plan) was discussed in the Supervisory Board meeting on 26 November 2025, so the Supervisory Board met without the Management Board present. The Supervisory Board has adopted its own rules of procedure, and these are published on the HENSOLDT website at <https://investors.hensoldt.net>.

HENSOLDT considers the regular review of the effectiveness of the Supervisory Board's work in accordance with recommendation D.12 of the Code as an important component of good corporate governance. The members of the Audit

Committee, the Compliance Committee and the Presidial Committee regularly assess the effectiveness of the committees' work. The assessment was conducted in fiscal year 2023 using an anonymised questionnaire.

In principle, members of the Supervisory Board take responsibility for the training and continuing education measures required for their duties. If necessary, they are supported by HENSOLDT to an appropriate extent. To support the Supervisory Board with the process of new members joining it, an induction procedure has been established to familiarise incoming members of the Supervisory Board with the main characteristics of HENSOLDT and its business activities as well as the legal requirements and internal processes relevant to their work on the Supervisory Board.

Details of the Supervisory Board's activities, including the number of meetings and information on the attendance of Supervisory Board members at meetings in fiscal year 2025, are provided in the "Report of the Supervisory Board".

Composition of the Supervisory Board

The Supervisory Board has 12 members and, in accordance with the requirements of the German Codetermination Act (MitbestG), is composed of an equal number of shareholder and employee representatives. The rules of procedure of the Supervisory Board stipulate that the Supervisory Board shall be composed in such a way that its members as a whole possess the knowledge, skills and professional experience required to properly perform their duties and that the statutory gender quota is complied with.

In fiscal year 2025, the Supervisory Board comprised the following members:

Name	Born	Member since	Appointed until	Profession
Reiner Winkler (Chair)	1961	2022	2030	Independent Consultant
Armin Maier-Junker ¹ (Vice Chair)	1962	2017	2026	Chair of the Works Council of HENSOLDT Sensors GmbH, Ulm; Chair of the General Works Council of HENSOLDT Sensors GmbH and Chair of the Group Works Council of HENSOLDT AG
Dr. Jürgen Bestle ¹	1966	2021	2026	CTO of HENSOLDT AG
Jürgen Bühl ¹	1969	2017	2026	Division Manager on the Executive Board of IG Metall
Marco R. Fuchs	1962	2023	2030	Chair of the Management Board of OHB SE
Achim Gruber ¹	1963	2021	2026	Chair of the Works Council of HENSOLDT Optronics GmbH, Oberkochen
Ingrid Jägering	1966	2017	2030	Member of the Management Board and CFO of Stihl AG
Marion Koch ¹	1978	2020	2026	Member of the Works Council of HENSOLDT Sensors GmbH, Immenstaad; Head of the "Airborne & Space Radars" business unit of HENSOLDT Sensors GmbH
Giuseppe Panizzardi	1963	2023	2030	Senior Vice President M&A and Equity Investments of Leonardo S.p.A.
Raffaella Luglini	1971	2024	2030	Chief Sustainability Officer of Leonardo S.p.A.
Julia Wahl ¹	1987	2019	2026	Press Officer at IG Metall Baden-Württemberg
Hiltrud Werner	1966	2022	2030	Management Consultant

¹ Representative of the employees

Their mandates on other supervisory boards or comparable German and foreign supervisory bodies are shown in the following table (mandates within the HENSOLDT Group are marked with an asterisk (*)):

Name	Position
Dr. Jürgen Bestle	• Member of the Supervisory Board of HENSOLDT Sensors GmbH*
Jürgen Bühl	• Member of the Supervisory Board of HENSOLDT Sensors GmbH* • Member of the Supervisory Board of Airbus Defence & Space GmbH
Marco R. Fuchs	• Chair of the Supervisory Board of ZARM Technik AG • Chair of the Supervisory Board of MT Aerospace AG • Member of the Supervisory Board of OHB System AG • Member of the Supervisory Board of Rocket Factory Augsburg AG • Chair of the Board of Directors of OHB Italia S.p.A • Chair of the Board of Directors of OHB Sweden AB • Chair of the Board of Directors of Antwerp Space N.V. • Chair of the Board of Directors of LuxSpace Sàrl • Chair of the Supervisory Board of ORBCOMM Deutschland Satellitenkommunikation AG • Board member of Skyloom Global Corp.
Achim Gruber	• Member of the Supervisory Board of HENSOLDT Optronics GmbH*
Ingrid Jägering	• Chair of the Advisory Board of Wegmann Unternehmens-Holding GmbH & Co. KG • Member of the Board of Directors of KNDS N.V. • Member of the Supervisory Board of ZF Friedrichshafen AG (since March 2025) • Member of the Supervisory Board of SAF-Holland SE (until May 2025)
Giuseppe Panizzardi	• Member of the Board of Leonardo International S.p.A. (since May 2025)
Julia Wahl	• Member of the Supervisory Board of HENSOLDT Sensors GmbH* • Member of the Supervisory Board of Aesculap AG
Hiltrud Werner	• Chair of the Supervisory Board of Mitteldeutsche Flughafen AG • Member of the Supervisory Board of Everlence SE

The time of initial appointment mentioned above is disclosed on the basis of the first appointment to the Supervisory Board of HENSOLDT Holding GmbH or HENSOLDT GmbH respectively, which means before the change in legal form of the company to a public limited company ("AG") as of 17 August 2020. In the reporting year, the following new elections and appointments to the Supervisory Board took place, without resulting in any changes to its composition: effective at the close of the Annual General Meeting on 27 May 2025, Reiner Winkler, Marco R. Fuchs, Giuseppe Panizzardi and Raffaella Luglini, whose terms of office had expired, were re-elected to the Supervisory Board. Ingrid Jägering and Hiltrud Werner, whose terms of office expired at the end of the Annual General Meeting on 27 May 2025, were reappointed to the Supervisory Board by the Federal Republic of Germany with effect from the end of the Annual General Meeting on 27 May 2025 in accordance with Section 8 (2) of the Articles of Association.

According to the competency profile drawn up by the Supervisory Board, in view of the areas of activity of HENSOLDT Group, the key competencies of the Supervisory Board members include knowledge, experience or skills in the following areas: Industry, markets and regions in which HENSOLDT AG operates, accounting and auditing, corporate governance, compliance and regulatory requirements, capital market and risk management, operations/operational and excellence/project management as well as public relations. At least one member of the Supervisory Board should have in-depth experience and knowledge in the management of an international company, in the area of digitalisation and information technology, in the area of human resources management and recruitment, in accounting and financial reporting, in controlling/risk management as well as in the area of corporate governance and compliance, including the regulatory requirements relevant to HENSOLDT. In addition, the Supervisory Board shall have knowledge and experience in the area of international security policy as well as in the sustainability issues that are important to the company. Besides the appropriate representation of all gender identities and age groups, proposals for elections to the Supervisory Board will also take into account different educational and professional backgrounds and the most diverse possible cultural and regional origins of the members of the Supervisory Board.

The competency profile also provides rules on the independence of Supervisory Board members and on the limitation of other mandates held in line with the relevant recommendations and suggestions of the Code.

Based on its work to date, the Supervisory Board has gained the impression that, overall, it has the competencies represented on it that are considered essential in the areas of work relating to HENSOLDT AG and the HENSOLDT Group. The Supervisory Board members as a whole are familiar with the industry in which HENSOLDT operates. On the shareholder side in particular, a significant number of members have many years of international experience in the management of an international company, corporate governance, risk management and compliance, as well as capital market and human resources issues. In the Chair of the Audit Committee, Ingrid Jägering, at least one member of the Supervisory Board has proven expertise in the fields of accounting or auditing. In addition, the Chair of the Supervisory Board as well as Marco R. Fuchs have in-depth knowledge in these areas. In addition, from the Supervisory Board's point of view, the employee side in particular ensures that the interests of numerous stakeholders are adequately taken into account within the work of the Supervisory Board.

The implementation of the competency profile is disclosed below in the form of a qualification matrix:

	Reiner Winkler	Armin Maier-Junker	Dr. Jürgen Bestle	Jürgen Bühl	Marco R. Fuchs	Achim Gruber
Representative of the employees		●	●	●		●
Independence ¹	●				●	
Industry Expertise	●	●	●	●	●	●
Accounting	●			●	●	●
Audit	●	●		●	●	●
Corporate Governance, Compliance	●	●	●	●	●	●
Capital Markets	●			●	●	
Risk Management	●	●	●	●	●	●
International Security Policy			●	●	●	
Antitrust Law						
International Experience	●		●	●	●	●
Leadership of International Company	●		●		●	
Digitalisation / IT	●	●	●	●	●	●
Human Resource Management	●		●	●	●	●
Sustainability	●	●	●	●	●	●
Operations / Operational Excellence / Project Management	●		●	●	●	
Public Relations	●			●	●	

	Ingrid Jägering	Marion Koch	Giuseppe Panizzardi	Raffaella Luglini	Julia Wahl	Hiltrud D. Werner
Representative of the employees		●			●	
Independence ¹	●		●	●		●
Industry Expertise	●	●	●	●	●	●
Accounting	●	●	●	●	●	●
Audit	●	●	●		●	●
Corporate Governance, Compliance	●	●	●	●	●	●
Capital Markets	●	●	●	●	●	●
Risk Management	●	●	●	●	●	●
International Security Policy	●	●	●	●		
Antitrust Law	●	●				●
International Experience	●	●	●	●	●	●
Leadership of International Company	●	●	●	●		●
Digitalisation / IT	●	●	●	●	●	●
Human Resource Management	●	●	●	●	●	●
Sustainability	●	●	●	●	●	●
Operations / Operational Excellence / Project Management	●		●	●		●
Public Relations	●		●	●		

¹ In the opinion of the Supervisory Board, the member of the Supervisory Board is independent of the company and its Management Board.

● Criterion met, based on self-assessment of the Supervisory Board. One point means a self-assessment of the qualification of at least "50%".

The rules of procedure of the Supervisory Board contain a flexible provision on age limits. Accordingly, only persons who are not older than 70 should be proposed for election. This standard age limit is currently not exceeded by any Supervisory Board member.

For further information on the representation of women on the Boards of HENSOLDT AG, please refer to section ["5.4 Disclosure on the representation of women on the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG"](#).

In future proposals to the Annual General Meeting for the election of shareholder representatives, the Supervisory Board will take into account its competency profile and the objectives for the composition of the Supervisory Board, which are included in this profile, the requirements of the Financial Market Integrity Strengthening Act (FISG) in relation to the composition of the Audit Committee as well as diversity aspects and expertise in significant sustainability matters for the Company. In addition, the Supervisory Board will take the time commitment of the proposed persons into account when making proposals to the Annual General Meeting for the election of shareholder representatives.

Prevention of conflicts of interest and independence

Each member of the Supervisory Board must disclose conflicts of interest to the Supervisory Board. Information about disclosed conflicts of interest that arose in the past fiscal year and their handling is provided in the "Report of the Supervisory Board".

The Supervisory Board assessed that, taking into account the ownership structure of HENSOLDT AG, an appropriate number of shareholder representatives are independent by definition of the Code. On the shareholder representative's side, the Supervisory Board considers Raffaella Luglini, Marco R. Fuchs, Ingrid Jägering, Giuseppe Panizzardi, Hiltrud Werner and Reiner Winkler to be independent of the Company and of its Management Board, which amounts to all six shareholder representatives. Consequently, recommendation C.9 (1) of the Code is complied with.

With regard to recommendation C.9 of the Code, the Supervisory Board classifies Giuseppe Panizzardi and Raffaella Luglini as employees of Leonardo or companies affiliated with Leonardo and as independent. With a 22.8% shareholding in HENSOLDT, Leonardo does not constitute a controlling shareholder, as neither a control agreement has been concluded nor does Leonardo hold an absolute majority of votes or any other sustainable majority at the Annual General Meeting. The Supervisory Board thus assumes that the aforementioned Supervisory Board members are independent of the Management Board and the Company within the meaning of recommendation C.7 of the Code. The Supervisory Board assumes that the existing business relationships between the HENSOLDT Group on the one hand and companies affiliated with Leonardo on the other hand were not material for either of the business partners in the previous year. In addition, the Supervisory Board assumes that Raffaella Luglini and Giuseppe Panizzardi did not exercise or do not exercise any board function or advisory duties at Leonardo within the meaning of recommendation C.12 of the Code. None of Raffaella Luglini or Giuseppe Panizzardi hold any personal relationships with Leonardo in terms of recommendation C.12 of the Code. Of the other companies in which Raffaella Luglini or Giuseppe Panizzardi were a member of a governing body in the fiscal year 2025, no mandate can be classified as a governing body function at a significant competitor.

5.3 Committees of the Supervisory Board

To the extent permitted by law, the Supervisory Board may transfer some of its duties and rights to one of its committees. In particular, the Supervisory Board reserves the right, if necessary, to form a committee for confidentiality matters to deal with classified information. The committees are each responsible for the tasks assigned to them by resolution of the Supervisory Board or by the rules of procedure adopted by the Supervisory Board, which define these tasks in more detail. The chairs of the committees shall report regularly to the Supervisory Board on the activities of the committees. The responsibilities of the Supervisory Board committees are set out in the rules of procedure for the Supervisory Board. The rules of procedure of the committees essentially correspond to those of the Supervisory Board in a plenary session.

In the fiscal year, the Supervisory Board formed six permanent committees. More details on the work of the committees in the reporting period, including the number of respective meetings and information on the attendance of committee members at the meetings, can be found in the ["Report of the Supervisory Board"](#).

Presidial Committee

There are six members of the Presidial Committee. The Presidial Committee is composed of the Chair of the Supervisory Board, their deputy and two members from both the employee and shareholder sides. In the reporting period, Reiner Winkler (Chair), Armin Maier-Junker³⁵, Jürgen Bühl³⁵, Giuseppe Panizzardi, Hiltrud Werner as well as Dr. Jürgen Bestle³⁵ were members of the committee. The Presidial Committee prepares proposals to the Supervisory Board for the appointment and dismissal of Management Board members and the extension of their mandates, the handling of service contracts with Management Board members, Management Board succession planning, and corporate governance issues. The Presidial Committee is also responsible for concluding, amending, extending and terminating service contracts with the members of the Management Board within the framework of the remuneration system determined by the Supervisory Board in a plenary session and the Annual General Meeting and within the targets set by

³⁵ Employee representative

the Supervisory Board in a plenary session for the variable remuneration of the individual Management Board members. In addition, the Presidial Committee makes proposals to the Supervisory Board for resolutions on existing or anticipated conflicts of interest of members of the Management Board. Furthermore, the Presidial Committee makes proposals for the approval of other contracts and transactions between the Company or a subsidiary of the Company on the one hand and a member of the Management Board or persons or companies related to a member of the Management Board on the other, unless the Related Party Transactions Committee is responsible.

Audit Committee

The Audit Committee is composed of two shareholder representatives and two employee representatives. In the reporting period, Ingrid Jägering (chair), Marion Koch³⁶, Giuseppe Panizzardi as well as Julia Wahl³⁶ were members of the committee. The chair of the Audit Committee, Ingrid Jägering, is independent in the assessment of the Supervisory Board. In particular, she has not been a member of the Management Board of HENSOLDT AG in the past, nor does she have any other personal or business relationship with HENSOLDT AG or its institutions, which could constitute a material and not only temporary conflict of interest. She is not simultaneously Chair of the Supervisory Board. She has expertise in the fields of accounting and auditing due to her long years of work as CFO in different companies. Giuseppe Panizzardi has many years of professional experience in the areas of M&A and capital market transactions, inter alia at the Leonardo Group (M&A transactions and corporate development), as well as at a major international bank and an Italian credit institution. Giuseppe Panizzardi is familiar with financial matters in the broadest sense and, due to his many years of experience with mergers and acquisitions, he is also able to interpret audit reports, expert opinions and similar reports. HENSOLDT AG thus meets the requirements of section 100 (5) German Stock Corporation Act (AktG) in conjunction with section 107 (4) sentence 3 AktG in terms of the audit committee.

The Audit Committee is tasked with auditing the accounting and with monitoring the accounting process. In connection with the adoption of the Annual Financial Statements by the Supervisory Board, the Audit Committee undertakes the preliminary review of the Annual and Consolidated Financial Statements, the Combined Management Report of HENSOLDT AG and the Group, and the proposal of the Management Board for the appropriation of the balance sheet profit. In addition, the Audit Committee discusses significant changes in audit and accounting methods. The Audit Committee prepares the report of the Supervisory Board to the Annual General Meeting in accordance with section 171 (2) AktG.

The Audit Committee also reviews the effectiveness of the internal control system, the risk management system and the internal auditing system. For this purpose, the Committee discusses the principles of risk identification and risk management with the Management Board and deals with the Company's risk monitoring system. The Audit Committee monitors the Company's compliance with legal provisions, official regulations and the Company's internal policies, where these do not relate to transactions and regulations concerning anti-corruption, antitrust (competition law), data protection and export control, which are duties of the Compliance Committee of the Supervisory Board.

The Audit Committee prepares the resolution proposal to the Annual General Meeting regarding the election of the auditor for the Annual Financial Statements and the Consolidated Financial Statements as well as any quarterly and half-yearly reports. The Audit Committee monitors the selection and the independence of the auditor. It also oversees the work of the auditor, including the additional services provided by the same.

Conciliation Committee

The Conciliation Committee consists of the chair of the Supervisory Board as chair of the committee, their deputy elected in accordance with the German Codetermination Act (MitbestG), and one additional representative each for both shareholders and employees. In the reporting period, Reiner Winkler (chair), Jürgen Bühl³⁵, Armin Maier-Junker³⁵ and Marco R. Fuchs were members of the committee. In the cases set out in section 31 (3) and (5) MitbestG, the Conciliation Committee shall submit proposals to the Supervisory Board for the appointment or withdrawal of the appointment of members of the Management Board.

Compliance Committee

The Compliance Committee is composed of two shareholder representatives and two employee representatives. In the reporting period, Hiltrud Werner (chair), Raffaella Luglini, Dr. Jürgen Bestle³⁶ and Achim Gruber³⁶ were members of this committee. The Compliance Committee's task is to monitor the Company's compliance with legal provisions, official

³⁶ Employee representative

regulations and internal Company policies relating to anti-corruption, antitrust (competition law), data protection and export control.

Related Party Transactions Committee

The Related Party Transactions Committee shall be composed of two shareholder representatives and two employee representatives, taking into account that the majority of the Committee shall be composed of members for which no concern of a conflict of interest exists due to their relationship with a related party. In the reporting period, Reiner Winkler (chair), Jürgen Bühl³⁷, Hiltrud Werner as well as Armin Maier-Junker³⁷ were members of this committee. The tasks of the Related Party Transactions Committee are to monitor the Company's internal procedure for the ordinary course of business and the arm's length nature of related party transactions within the meaning of section 111a (1) AktG, and to approve related party transactions in accordance with section 111b AktG. For such transactions, the decision-making authority of the committee takes precedence over the decision-making authority of other committees.

Nomination Committee

The Nomination Committee consists of up to four Supervisory Board members from the shareholder's side. In the reporting period, Reiner Winkler (chair), Ingrid Jägering, Marco R. Fuchs and Giuseppe Panizzardi were members of the committee. When appointing members to this committee, the Supervisory Board ensures an appropriate representation of women and men. The Nomination Committee proposes suitable candidates to the Supervisory Board for its election proposal to the Annual General Meeting. The Nomination Committee is also responsible for preparing a proposal for the competency profile, reviewing the existing competency profile, and recommending any adjustments.

5.4 Disclosures on the representation of women on the Management Board and Supervisory Board and at the top management levels of HENSOLDT AG

Representation of women on the Supervisory Board

The legally required gender quota of 30.0% in accordance with section 96 (2) German Stock Corporation Act (AktG) applies to the Supervisory Board. To prevent any potential unequal treatment of shareholder or employee representatives and to increase planning security in the respective election processes, the shareholder representatives on the Supervisory Board have objected to the overall fulfilment of the quota in accordance with section 96 (2) sentence 2 AktG. This means the shareholder side and the employee side must meet the minimum quota of 30.0% for each gender separately. The shareholder and employee sides must therefore each include at least two women and at least two men.

In the reporting period, there were three women on the shareholder side and two women on the employee side. The legally required gender quota was therefore complied with in the previous fiscal year.

Representation of women on the Management Board of HENSOLDT AG

The Supervisory Board of HENSOLDT AG has set a target for the proportion of women on the Management Board in accordance with section 111 (5) German Stock Corporation Act (AktG). When the target was first set, a minimum target of 25.0% was set until the end of the first implementation period on 11 August 2025. By resolution of the Supervisory Board dated 26 November 2025, the Supervisory Board set a new target figure for the Management Board with an implementation deadline of 26 November 2030 of 25% (one woman for three Management Board members). At the end of the reporting period, the proportion of women is 0%.

According to the German Stock Corporation Act in the version of the Second Leadership Positions Act ("FüPoG II") which has been in force since 12 August 2021, at least one woman and at least one man must be a member of the Management Board (minimum participation requirement) if the Management Board consists of more than three persons (section 76 (3a) AktG). At the end of the reporting year, the Management Board of HENSOLDT AG consisted of three persons, meaning that the minimum participation requirement does not apply.

³⁷ Employee representative

Determination for the two management levels below the Management Board

In accordance with section 76 (4) AktG, the Management Board also sets targets for the proportion of women in the two management levels below the Management Board. In 2021, the Management Board set the following quotas for women's participation to be achieved by 8 December 2026:

A quota of 16.6% is to be achieved at the first management level below the Management Board. This quota is achieved at the end of the reporting period.

A quota of 20.0% is to be achieved at the second management level below the Management Board. This quota is achieved at the end of the reporting period.

In determining the respective quotas, the Management Board was guided by the following considerations: The Management Board pursues the goal of increasing the proportion of women in management positions at the group level. HENSOLDT AG is therefore guided by the overriding determination of the proportion of women at group level, as has already been carried out.

Even independently of setting targets for the proportion of women, the Management Board pays attention to diversity when filling management positions within the HENSOLDT Group, particularly with regard to the appropriate representation of all gender identities as well as the international experience and origin of employees.

VIII HENSOLDT AG

The Annual Financial Statements based on the German Commercial Code (HGB) of HENSOLDT AG, Taufkirchen, (Local Court of Munich, HRB 258711) were prepared in accordance with sections 242 et seq. and 264 et seq. HGB and in accordance with the relevant provisions of the German Stock Corporation Act and the articles of association.

As of 31 December 2025, HENSOLDT AG was the parent company of the HENSOLDT Group.

1 Results of operations of HENSOLDT AG

For fiscal year 2025, the income statement for HENSOLDT AG was as follows.

in million €	Fiscal year		
	2025	2024	% Delta
Revenue	71.0	61.4	15.7%
Cost of sales	-72.6	-62.5	-16.1%
Gross profit	-1.6	-1.1	-39.7%
Selling expenses	–	-0.1	100.0%
General administrative expenses	-30.6	-31.9	4.0%
Other operating income	8.0	20.4	-60.7%
Other operating expenses	-6.9	-18.3	62.2%
Operating result	-31.1	-31.1	-0.1%
Financial result	-79.2	-102.4	22.7%
Income from profit-and-loss transfer	285.1	164.6	73.2%
Income taxes	-11.6	-9.2	-25.4%
Result after taxes	163.3	21.9	> 200 %
Other taxes	-0.1	-0.0	-111.5%
Net income for the fiscal year	163.2	21.8	> 200 %
Profit carry-forward	10.1	11.0	-8.2%
Withdrawal from the capital reserve	–	35.0	-100.0%
Balance sheet profit	173.2	67.8	155.4%

The increased revenue compared to the previous year resulted entirely from administrative, consulting and other services provided by HENSOLDT AG to subsidiaries and affiliated companies. This revenue was slightly overcompensated by cost of sales which is reflected accordingly in the gross profit. The general administrative expenses included the expenses for the further strategic development of HENSOLDT Group as well as central administrative expenses of HENSOLDT AG, which were not passed on to the operating companies of HENSOLDT Group. These mainly resulted from expenses for consulting fees incurred for example as part of efficiency improvement and IT-related projects. Other operating income and other operating expenses arose in the previous year from costs for the employee share program and their passing on to the participating companies of HENSOLDT Group. The financial result consisted predominantly of interest expenses for the new term loan and the promissory note loans taken out as part of the refinancing, interest expenses and income of affiliated companies from cash pooling, as well as interest income from cash investments. In fiscal year 2025, value adjustments were also made on financial receivables from affiliated companies, while in 2024, write-downs were incurred on loans and financial receivables from affiliated companies. The negative financial result improved primarily due to lower value adjustments and lower interest expenses from the new financing arrangement. This positive effect was partially offset, however, by additional expenses for the repayment of

loans repaid as part of the refinancing arrangement. Compared to the previous year, income from profit transfers from HENSOLDT Holding GmbH increased significantly. This led to a positive pre-tax result and thus to an increase in income taxes. The disproportionate increase in income taxes compared to the pre-tax result is due to the use of tax loss carryforwards.

The balance sheet profit mainly resulted from the net income in 2025 amounting to €163.2 million and the profit carry-forward of €10.1 million. In the previous year, €35.0 million were withdrawn from the capital reserve and included in the balance sheet profit.

As of 31 December 2025, HENSOLDT AG had 150 employees (previous year: 135).

Overall assessment

In the forecast for fiscal year 2025, the Management Board had, for the most important financial key performance indicators of HENSOLDT AG, expected a stable level of revenue and a significant increase in net income for the fiscal year. Due to increased internal recharges for administrative, consulting and other services to subsidiaries or affiliated companies, a significant increase in revenue was achieved, thus exceeding the revenue forecast.

2 Net assets and financial position of HENSOLDT AG

The net assets and financial position of HENSOLDT AG on 31 December 2025 were as follows:

	31 Dec. 2025	31 Dec. 2024	% Delta
in million €			
Intangible assets and property, plant and equipment	66.4	33.8	96.5%
Financial assets	2,681.6	2,682.4	-0.0%
Fixed assets	2,748.1	2,716.2	1.2%
Accounts receivable, other assets and advance payments made	1,265.7	1,040.0	21.7%
Cash and cash equivalents	667.9	412.8	61.8%
Current assets	1,933.6	1,452.8	33.1%
Prepaid expenses and deferred charges	5.8	6.4	-9.2%
Surplus of offsetting	0.5	0.3	81.4%
Total assets	4,688.1	4,175.7	12.3%
Share capital	115.5	115.5	-%
Capital reserve	1,690.4	1,690.4	-%
Balance sheet profit	173.2	67.8	155.4%
Equity	1,979.1	1,873.7	5.6%
Provisions	71.6	63.1	13.5%
Liabilities	2,637.3	2,238.9	17.8%
Total equity and liabilities	4,688.1	4,175.7	12.3%

The financial assets primarily included the investment in HENSOLDT Holding GmbH. Accounts receivable and other assets mainly included accounts receivable from affiliated companies. The increase compared to the previous year was mainly due to higher accounts receivable from affiliated companies. These included higher receivables from the profit transfer of HENSOLDT Holding GmbH, higher cash pool receivables and higher receivables from advance value added tax returns of the subsidiaries. Cash and cash equivalents consisted of overnight and short-term deposit investments of €657 million (previous year: €402 million). The increase resulted primarily from higher cash pooling balances as of 31 December 2025. Current cash account balances amounted to €11 million (previous year: €11 million). Solvency was ensured at all times during the fiscal year 2025. Prepaid expenses and deferred charges mainly included directly attributable transaction costs incurred as part of the comprehensive refinancing arrangement in April 2025. All previously deferred costs of the replaced financing agreements were reversed and new deferred items were recognised for the current financing instruments.

The share capital of HENSOLDT AG as of 31 December 2025 amounted to €115.5 million, divided into 115.5 million ordinary bearer shares with no nominal value (no-par value shares) (previous year: €115.5 million resp. 115.5 million no-par value shares). Net income as of 31 December 2025 amounted to €163 million (previous year: net income of €22 million). In preparing the Annual Financial Statements, nothing was withdrawn from the capital reserve. In the previous year, €35 million was withdrawn and allocated to balance sheet profit. Provisions mainly included tax provisions, provisions for pension obligations, provisions for variable remuneration components and provisions for anticipated losses from the reporting date valuation of interest rate swaps. The increase in provisions compared with the previous year was primarily due to the increase in tax provisions (particularly for trade tax). Liabilities, mainly consisting of cash pooling liabilities, liabilities to banks and tax liabilities showed a significant increase compared to the previous year. This increase was mainly attributable to the cash pooling liabilities. In April 2025, the Company restructured its liabilities to banks as part of a comprehensive refinancing arrangement. This involved the previous term loan and term facility totalling €1,070 million being replaced by a new syndicated loan agreement with a volume of €850 million. In addition, promissory note loans totalling €300 million were issued in July 2025.

3 Opportunities and risks

In its capacity as a holding company, the business development of HENSOLDT AG is basically subject to the same opportunities and risks as HENSOLDT Group. The most significant risks for the Company are worsening operational performance of the subsidiaries and the Company's obligation to absorb negative results of the subsidiaries as required by the profit-and-loss transfer agreement concluded with HENSOLDT Holding GmbH. The operational performance of the subsidiaries can also influence the impairment risk in the carrying amount of investments as well as the associated liquidity and interest risks. HENSOLDT AG is not aware of any individual or aggregated risks which might endanger the continuity of its business activity. The most significant opportunities for HENSOLDT AG lie in the increase of defence budgets worldwide and possibly higher profitability of the operating subsidiaries and the higher profit transfers that this would potentially entail. On top of this come the diversification of the product range and the expansion of the service business, as well as the ability of HENSOLDT Group and thus of the Group companies to act as innovation leaders in their industry.

4 Forecast

In the Company's operational planning, the Management Board anticipates a significant increase in revenue for fiscal year 2026 as a result of an increase in administrative, consulting and other services provided to subsidiaries and affiliated companies.

The performance of HENSOLDT AG's investments has a significant impact on its net income or net loss. The future business development of HENSOLDT AG is generally subject to the same trends as those of the HENSOLDT Group in the consolidated financial statements. The Management Board anticipates a significant increase in net income for fiscal year 2026, based in particular on the assumption of rising earnings contributions from its investments through existing profit-and-loss transfer agreements within the framework of the tax group.

The financial performance of the subsidiaries involves uncertainties that could have a direct impact on HENSOLDT AG's net income.

B - IFRS Consolidated Financial Statements



Finance

The English report is not provided in the European Single Electronic Format (ESEF). The legally required rendering in ESEF-format is filed in German language with the operator of the German Federal Gazette and published in the German Federal Gazette.

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CONSOLIDATED INCOME STATEMENT

in € million	Note	Fiscal year	
		2025	2024
Revenue	10	2,455	2,240
Cost of sales	10	-1,930	-1,732
Gross profit		525	508
Selling and distribution expenses		-132	-128
General administrative expenses		-147	-162
Research and development costs	12	-42	-32
Other operating income	13	36	22
Other operating expenses	13	-16	-24
Share of profit / loss from investments accounted for using the equity method	7	3	3
Other income / expense from investments	8.2 / 20	-6	-3
Earnings before financial result and income taxes (EBIT)		221	185
Interest income	14	25	31
Interest expense	14	-106	-100
Other finance income / expense	14	-13	1
Financial result		-94	-68
Earnings before income taxes (EBT)		127	117
Income taxes	15	-41	-12
Group profit / loss		86	106
<i>thereof attributable to the owners of HENSOLDT AG</i>		<i>89</i>	<i>108</i>
<i>thereof attributable to non-controlling interests</i>		<i>-2</i>	<i>-2</i>
Earnings per share			
Basic and diluted earnings per share (€)	16	0.77	0.93

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € million	Note	Fiscal year	
		2025	2024
Group profit / loss		86	106
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Measurement of post-employment benefit plans / plan assets	35	114	6
Tax on items that will not be reclassified to profit or loss	15	-23	0
Subtotal		91	5
Items that can be reclassified to profit or loss			
Difference from currency translation of financial statements of foreign companies		-0	2
Subtotal		-0	2
Other comprehensive income net of tax		91	7
Total comprehensive income in the fiscal year		177	113
<i>thereof attributable to the owners of HENSOLDT AG</i>		<i>179</i>	<i>114</i>
<i>thereof attributable to non-controlling interest</i>		<i>-2</i>	<i>-1</i>

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS		31 Dec.	31 Dec.
in € million	Note	2025	2024
Non-current assets		2,562	2,289
Goodwill	17	1,117	1,115
Intangible assets	18	703	667
Property, plant and equipment	19	242	202
Right-of-use assets	29	413	249
Investments accounted for using the equity method	7	6	4
Other investments and non-current other financial investments	20	42	24
Non-current other financial assets	27	11	7
Non-current other assets	28	29	20
Deferred tax assets	15	1	1
Current assets		2,865	2,407
Non-current other financial investments, current portion	20	–	0
Inventories	21	878	719
Contract assets	10	424	385
Trade receivables	22	436	426
Current other financial assets	27	22	8
Current other assets	28	145	115
Income tax receivables		26	20
Cash and cash equivalents	38.1	933	733
Total assets		5,427	4,696

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

EQUITY AND LIABILITIES		31 Dec.	31 Dec.
in € million	Note	2025	2024
Share capital	36.1	116	116
Capital reserve		439	474
Other reserves		128	37
Retained earnings		309	245
Equity held by shareholders of HENSOLDT AG		991	872
Non-controlling interests	36.2	11	14
Equity, total	36	1,002	886
Non-current liabilities		2,091	1,927
Non-current provisions	24	287	418
Non-current financing liabilities	38.2	1,163	1,072
Non-current contract liabilities	10	–	4
Non-current lease liabilities	29	416	256
Non-current other financial liabilities	27	9	13
Non-current other liabilities	28	17	15
Deferred income	30	34	27
Deferred tax liabilities	15	166	123
Current liabilities		2,334	1,883
Current provisions	24	253	257
Current financing liabilities	38.2	20	22
Current contract liabilities	10	1,146	776
Current lease liabilities	29	35	25
Trade payables	23	591	546
Current other financial liabilities	27	38	74
Current other liabilities	28	219	151
Income tax liabilities		32	33
Total equity and liabilities		5,427	4,696

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

in € million	Note	Fiscal year	
		2025	2024
Group profit / loss		86	106
Depreciation, amortisation and impairments of non-current assets	18/19/ 20/29	181	162
Impairments (+) / reversals of impairments (-) of inventories, trade receivables and contract assets		5	17
Profit / loss from disposals of non-current assets		–	1
Share of profits in investments accounted for using the equity method	7	-3	-3
Financial expenses (net)		68	56
Other non-cash expense / income		2	-3
Change in			
Provisions		-27	-5
Inventories		-169	-103
Contract balances		345	34
Trade receivables		-16	-11
Trade payables		44	69
Other assets and liabilities		-17	44
Interest paid		-69	-66
Interest received		10	21
Income tax expense (+) / income (-)		41	12
Income tax payments (-) / refunds (+)		-31	-18
Cash flows from operating activities		450	311
Acquisition / addition of intangible assets and property, plant and equipment	18/19	-206	-199
Proceeds from sale of intangible assets and property, plant and equipment	18/19	1	2
Payments for investments in non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets	20	-24	-4
Proceeds from disposals of non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets		–	0
Dividends received from investments accounted for using the equity method, non-consolidated affiliates, joint ventures, associates and other investments		3	–
Acquisition of subsidiaries net of cash acquired		-6	-543
Other		–	0
Cash flows from investing activities		-233	-745

in € million	Note	Fiscal year	
		2025	2024
Repayment from financing liabilities to banks	38.3	-220	-
Proceeds from financing liabilities to banks	38.3	300	450
Transaction costs paid on loans and borrowings		-5	-2
Change in other financing liabilities	38.3	-2	-6
Payment of lease liabilities	38.3	-35	-27
Dividend payments	38.3	-58	-46
Transaction costs paid on issue of equity	38.3	-	-1
Cash flows from financing activities		-20	367
Effects of changes in exchange rates on cash and cash equivalents		1	-3
Changes in cash and cash equivalents due to changes in the scope of consolidation		2	-
Net changes in cash and cash equivalents		200	-69
Cash and cash equivalents			
Cash and cash equivalents on 1 January		733	802
Cash and cash equivalents on 31 December		933	733

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the owners of HENSOLDT AG								
in € million	Share capital	Capital reserve	Retained earnings	Other reserves		Subtotal	Non-controlling interests	Total
				Remeasurement of pensions	Currency translation			
As of 1 January 2024	116	613	62	52	-21	822	16	838
Group profit / loss	–	–	108	–	–	108	-2	106
Other comprehensive income	–	1	–	4	1	7	1	7
Total comprehensive income	–	1	108	4	1	114	-1	113
Employee share programme	–	4	–	–	–	4	–	4
Settlement of employee share programme	–	-4	–	–	–	-4	–	-4
Release capital reserve	–	-140	140	–	–	–	–	–
Dividend payments	–	–	-46	–	–	-46	–	-46
Change in scope of consolidation	–	–	-15	–	–	-15	–	-15
Other	–	-0	-3	–	–	-3	–	-3
As of 31 December 2024	116	474	245	56	-19	872	14	886
Group profit / loss	–	–	89	–	–	89	-2	86
Other comprehensive income	–	–	–	91	-0	91	0	91
Total comprehensive income	–	–	89	91	-0	179	-2	177
Release capital reserve	–	-35	35	–	–	–	–	–
Dividend payments	–	–	-58	–	–	-58	–	-58
Dividends on non-controlling interests	–	–	–	–	–	–	-0	-0
Other	–	–	-2	–	–	-2	-0	-3
As of 31 December 2025	116	439	309	147	-20	991	11	1,002

The following disclosures in these Notes form an integral part of these Consolidated Financial Statements.

C - Notes to the Consolidated Financial Statements



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I Basis of presentation

1 The Company

These IFRS Consolidated Financial Statements comprise HENSOLDT AG (the “Company”) with its registered office at Willy-Messerschmitt-Str. 3, 82024. Taufkirchen, Germany, registered at the Munich District Court under HRB 258711, and its subsidiaries (the “Group”, “HENSOLDT” or “HENSOLDT Group”).

The fiscal year coincides with the calendar year.

HENSOLDT Group is a multinational company operating in the defence and security electronics market with its headquarters based in Germany. Its range of products and services includes the development, manufacture, operation and distribution of independent, electronic end-to-end sensor solutions, electrotechnology systems, optronic devices and software solutions for military and non-military use. HENSOLDT is a system integrator offering platform-independent, networked end-to-end solutions.

2 Material accounting policies

2.1 Basis of preparation

These Consolidated Financial Statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) and related interpretations of the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and, as a supplement, in accordance with the requirements of section 315e (1) of the German Commercial Code (HGB).

Changes in material accounting policies are described in [Note 4](#).

These Consolidated Financial Statements were prepared by the Management Board on 17 March 2026 and passed on to the Supervisory Board for approval.

The Consolidated Financial Statements are presented in euros (€), which is the Group’s functional currency. Unless otherwise stated, all financial figures presented herein are rounded to the nearest million euros in accordance with established commercial principles. Due to rounding, there may be slight deviations from the absolute numbers when forming totals and calculating percentages. Absolute amounts less than €500,000 and greater than zero euros are represented as 0 or -0 depending on the preceding sign. In contrast, items that have no value are indicated as missing by using “-”.

These Consolidated Financial Statements were prepared based on the assumption of the Group’s continuation as a going concern.

Unless otherwise stated, the Consolidated Financial Statements have been prepared on a historical cost basis. The Group’s material accounting policies are set out below.

2.2 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method if the acquired group of activities and assets meets the definition of a business and control is transferred to the Group. The consideration transferred for the

acquisition and the identifiable assets acquired are generally recognised at fair value. In determining whether a particular group of activities and assets is a business, HENSOLDT assesses whether the group of acquired assets and activities includes, at a minimum, an input of resources and substantive process and whether the acquired group is capable of generating output. Any gain on a bargain purchase is recognised directly in the consolidated income statement. Transaction costs are expensed as incurred unless they are related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the consolidated income statement.

Any contingent considerations are measured at fair value on the date when control is obtained. If the contingent consideration is classified as equity, it is not remeasured and any settlement is recognised in equity. Otherwise, other contingent considerations are measured at fair value on the reporting date and subsequent changes in the fair value of the contingent considerations are recognised in the consolidated statement of comprehensive income.

Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls a company when it is exposed to or has rights to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

2.3 Revenue from contracts with customers

Revenue recognition

The Group recognises revenue if the control over distinct goods and services transfers to the customer, i.e. when the customer is able to determine the use of the transferred goods or services and to primarily obtain the remaining benefits therefrom. A precondition in this respect is that a contract with enforceable rights and obligations is in place and, inter alia, recovery of the consideration – taking account of the credit rating of the customer – is probable. As a rule, HENSOLDT acts as the principal when recognising revenue.

Revenue equals the transaction price to which the HENSOLDT Group expects to be entitled to under the relevant contract, taking into account variable consideration.

If a contract comprises several distinct goods or services, the transaction price is allocated to the performance obligation based on the relative stand-alone selling price. If stand-alone selling prices are not directly observable, HENSOLDT Group estimates these in an appropriate amount. If no observable prices exist, particularly as the goods and services offered by HENSOLDT Group are highly complex and individual, the stand-alone selling price of each separate performance obligation is estimated based on the expected costs plus a margin. This procedure is also regularly utilised in the pricing process during contract negotiations.

When HENSOLDT Group transfers control of goods produced or services rendered to the customer over a certain period of time, revenue is recognised over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group (e.g. maintenance contracts, training services); or
- the Group's performed services create or enhance an asset and the customer gains control over the asset as the asset is created or enhanced; or
- the Group's performed services produce an asset with no alternative use for the Group and the Group has an enforceable right to payment (including a reasonable margin) for the work completed to date.

For each performance obligation to be satisfied over time pursuant to IFRS 15, HENSOLDT Group recognises revenue over such period of time by determining the progress towards complete satisfaction of that performance obligation. HENSOLDT Group applies one single method to determine the progress for each performance obligation to be satisfied over time, with the selected method being consistently applied to similar performance obligations and similar circumstances. The measurement of progress towards complete satisfaction of a performance obligation is based either on inputs or outputs. When progress is measured by inputs, the cost-to-cost method is used as HENSOLDT Group is of the opinion that it best reflects the measure of progress towards the satisfaction of the performance obligation. If costs are incurred that do not contribute to the progress of the service provision, such as unplanned scrapping costs, or if the

costs incurred are disproportionate to the progress due to unexpected additional costs, these costs are excluded from the calculation of the degree of progress or, alternatively, the originally budgeted costs are revised.

If none of the above-mentioned criteria for recognising revenue over time are met, revenue is recognised at a point in time, i.e. the point in time when HENSOLDT has transferred control of the asset to the customer. Generally, this is the point in time of the delivery of the goods to the customer or upon acceptance of the goods or services by the customer.

The costs of fulfilling a contract entered into with a customer (contract fulfilment costs) are capitalized as assets and amortized on a scheduled basis.

Warranty obligations exist for contractual or de facto obligations to repair damage or malfunctions in sold products (see [Note 24](#)).

Performance obligations

The following break-down sets forth the significant performance obligations for HENSOLDT from contracts with customers and elaborates on the nature and timing of the satisfaction of the performance obligations, including significant payment terms, and the related revenue recognition policies.

Standardised products and systems with limited customer-specific adjustments

When manufacturing and installing standardised products and systems or delivering spare parts, customer-specific adjustments are only made to a limited extent. Customers obtain control of standardised products when the goods have been delivered and accepted at their premises. Invoices are generated at that point in time. Invoices are generally payable within 30 to 60 days. Depending on the contractual terms and conditions, revenue is recognised either once the goods are delivered or once the goods or services are accepted by the customers at their premises.

Customised development, manufacturing and delivery of products and systems

Generally, HENSOLDT does not have an alternative use for products and systems for which the development or manufacturing is highly customised. If a contract is terminated by the customer, HENSOLDT is generally entitled to reimbursement of the costs incurred up to that point, including an appropriate margin. Invoices are issued in accordance with the contractual terms and are generally payable within 30 to 60 days. Revenue and associated costs are recognised over time. Progress is determined based on the cost-to-cost method. Amounts not invoiced are presented as contract assets, and payments received in advance are presented as contract liabilities.

Service and support

HENSOLDT Group provides services in the form of maintenance and training. The customer simultaneously receives and consumes the benefits provided by HENSOLDT's performance as HENSOLDT provides the services. Invoices are issued in accordance with the contractual terms and are generally payable within 30 to 60 days. Revenue and associated costs are mainly recognised over time. Progress is determined based on the cost-to-cost method. Amounts not invoiced are presented as contract assets, and payments received in advance are presented as contract liabilities.

Variable considerations

All of the above-mentioned performance obligations of HENSOLDT may include variable remuneration components. The following variable remuneration components can be in place for HENSOLDT: Price adjustments from escalations, price audits and contractual penalties. For contracts with variable remuneration components, revenue is recognised to the extent that it is highly probable that a significant cancellation of the amount of cumulatively recognised revenue will not be required. Accordingly, positive variable remuneration components (e.g. price escalations) are recognised as an increase of the transaction price if there is an estimated probability of at least 80.0% that they will be realised. Conversely, negative variable remuneration components (e.g. contractual penalties or price audit reimbursements) are recognised as a reduction of the transaction price if they occur with an estimated probability of 20.0% or more.

2.4 Intangible assets

Intangible assets

Intangible assets with limited useful lives are generally amortised on a straight-line basis over their respective expected useful lives to their estimated residual values. In general, the expected useful life for patents, licenses and similar rights is between 1 and 10 years, with the exception of intangible assets with finite useful lives acquired in business combinations. These consist in particular of order backlogs and customer relationships as well as technologies. The useful lives of these intangible assets, in certain transactions, ranged from 2 to 11 years for order backlogs and between 8 to 10 years for customer relationships, as well as from 3 to 12 years for technologies. Brands with indefinite useful lives are not amortised but tested for impairment annually. The Group intends to operate on the market under the name "HENSOLDT" for an unlimited amount of time. There is no indication of a limited useful life or the period for which a time limit of the brand could be granted. Amortisation of intangible assets is recognised as a part of cost of sales.

Research and development

Research costs are recognised in the consolidated income statement as incurred.

Development costs are capitalised if they meet the criteria of IAS 38.

Development activities are usually carried out in a phased approach. In this phased approach, the Group generally assumes that the criteria for recognition under IAS 38 are satisfied if the Preliminary Design Review (PDR: for established technologies) or Critical Design Review (CDR: for new technologies) or an equivalent review was successfully completed.

Other development expenditure is recognised in the consolidated income statement as research and development costs as soon as it is incurred. Capitalised development expenditure is generally amortised on a straight-line basis over the estimated useful life (generally between 3 and 10 years) of the internally generated intangible asset. Amortisation and impairment losses of the capitalised development expenditure is recognised under cost of sales.

2.5 Property, plant and equipment

Property, plant and equipment are measured at cost of acquisition or production (refer to [Note 2.6](#)), less accumulated depreciation and impairment losses. Property, plant and equipment are depreciated on a straight-line basis. The following useful lives have been assumed:

Buildings	8 to 50 years
Fixtures	2 to 33 years
Technical equipment and machinery	2 to 15 years
Other equipment, operating and office equipment	1 to 14 years

2.6 Inventories

Inventories are measured at the lower of acquisition cost (generally the average cost) or cost of production and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell.

Cost of production includes all costs directly attributable to the manufacturing process, such as cost of materials, wage- and production-related overheads (based on normal operating capacity and normal use of materials, labour and other cost of production) including write-downs. If any inventory risks exist, e.g. due to reduced usability after longer storage periods or due to lower replacement costs, appropriate write-downs are recognised. Write-downs on inventories are recognised when it is probable that projected contract costs will exceed total contract revenue.

2.7 Leases

Leases as lessee

The Group primarily engages in lease activities as a lessee. The Group leases various assets including property, technical equipment, IT equipment and vehicles.

The lease liability is initially measured at the present value of the lease payments not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease. Country-specific interest rates are used in South Africa.

It is remeasured when there is a change in future lease payments arising from a change in an index or interest rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated income statement if the carrying amount of the value of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities as a separate line item in the statement of financial position.

Short-term leases and leases of low-value assets

The Group does not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets up to €5,000 (e.g. office equipment). The Group recognises the lease payments associated with these leases as an expense in the consolidated income statement on a straight-line basis over the lease term.

2.8 Employee benefits

Defined benefit plans

The Group's net obligation for defined benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned in the current and in previous periods. This amount is discounted and reduced by the estimated fair value of any plan assets.

The defined benefit obligations are calculated annually by a certified actuary using the projected unit credit method. If the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability are recognised directly in other comprehensive income. Remeasurements comprise actuarial gains and losses from the determination of the present value of the obligation and the change in value from the fair value measurement of the plan asset. The Group determines the net interest expense (income) on the net defined benefit liability (plan asset) for the reporting year by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting year. This discount rate is applied to the net defined benefit liability (asset) on that date. Any changes to the net defined benefit liability (asset) due to payment of contributions or benefits during the reporting year are taken into account. Net interest and other expenses relating to defined benefit plans are recognised in the consolidated income statement.

If a plan amendment or curtailment occurs, any past service cost resulting from such a plan amendment or gain or loss on curtailment is recognised directly in the consolidated income statement.

Share-based payment

The Company currently has a Long-Term Incentive bonus (Long-Term Incentive, "LTI bonus" or "LTI") and an employee share programme.

The virtual long-term performance-based incentive programme is accounted for as a cash-settled share-based payment transaction in accordance with IFRS 2. The fair value of the services received from employees is measured at the fair value of the granted cash settlement and is recognised as an expense in the consolidated income statement and as a provision. The fair value of the share-based payment is recognised as an expense on a pro-rata basis over the vesting period. The value of the provision to be accounted is remeasured on each subsequent reporting date. Any changes to its fair value are recognised in the consolidated income statement.

In accordance with IFRS 2, the employee share programme is accounted for as share-based compensation and settled in equity instruments of the Company. The fair value on the date of granting share-based compensation agreements to employees is recognised as an expense with a corresponding increase in equity. The shares are obtained by purchase on the capital market. The capital reserve is credited accordingly. Given that the fair value of the services rendered by the beneficiaries cannot be reliably determined, however, the focus is on the fair value of the subscription rights granted for the purchase of shares. The value of the increase in equity to be recognised in the balance sheet in the event of settlement via equity instruments is to be determined on a one-off basis on the grant date.

2.9 Other provisions

Provision for onerous contracts

The Group recognises provisions for onerous contracts if it is probable that total contract costs will exceed the total contract revenue. The costs for fulfilling a contract comprise the costs that relate directly to the contract.

Onerous contracts are identified by monitoring the progress of the contract and the underlying project and by updating the estimate of contract costs, which involves significant and complex assumptions, assessments and estimates in connection with obtaining a certain performance standard and estimates relating to other costs (refer to [Note 3](#), [Note 10](#) and [Note 24](#)).

Warranties

A provision for warranties is recognised as soon as the underlying products or services were sold or rendered and a contractual or constructive obligation exists to repair damage to sold products within a certain period at the Group's expense. A warranty case can only occur after the performance obligation has been satisfied. To this extent, such costs have no influence on the measurement of progress in the fulfilment of the performance obligation. The provision is based on the individual assessment of expected future costs. The provision is recognised on a pro-rata basis according to certain criteria such as the number of delivered products or specific project progression.

2.10 Financial instruments

Recognition and initial measurement

The Group recognises trade receivables from the date that they arise. All other financial assets and liabilities are recognised for the first time on the trading day when the Group becomes a contractual party according to the contractual provisions of the instrument.

A financial asset (except for a trade receivable without a financing component) or a financial liability is initially measured at fair value. For an item not measured at fair value through profit or loss (FVtPL), this includes transaction costs that are directly attributable to its acquisition or issue. Trade receivables without a significant financing component are initially measured at their transaction price.

Classification and subsequent measurement

Financial assets

For initial recognition, financial assets are classified and measured based on the business model (under which the assets are held) and the characteristics of their cash flows.

Financial assets are not reclassified after initial recognition unless the Group changes its business model to manage financial assets.

The Group classifies its financial assets into the following measurement categories:

- “Measured at amortised cost” (AC);
- “At fair value through profit or loss” (FVtPL); and
- “At fair value through other comprehensive income” (FVtOCI).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVtPL:

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

A debt instrument is designated as FVtOCI if both of the following conditions are met and it was not designated as FVtPL:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (“held to collect and for sale”); and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade receivables are generally allocated to the “held to collect” business model and measured at amortised cost, i.e. in subsequent periods receivables are recognised net of principal repayments, instalments and impairment losses, plus any reversals of impairment losses. Receivables that are meant to be sold to a factoring party are held in a “held to collect and for sale” business model. These receivables are measured at fair value. At initial recognition of an equity instrument that is not held for trading, the Group can irrevocably elect to present subsequent value changes of the investment in other comprehensive income. This option is generally exercised within the Group. All financial assets that are not measured at amortised cost or at FVtOCI are measured at FVtPL. This includes, in particular, all derivative financial assets (refer to [Note 39](#)).

At initial recognition the Group can irrevocably elect to designate financial assets, which otherwise meet the conditions for measurements at amortised cost or at FVtOCI, at FVtPL if this leads to measurement and recognition inconsistencies (“accounting mismatch”) that arise being eliminated or significantly reduced.

Financial assets at FVtPL are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in the consolidated income statement.

Financial assets classified at amortised cost are measured at amortised cost using the effective interest method. Amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses as well as impairment losses are recognised in the consolidated income statement, likewise. Similarly, gains or losses from derecognition are also recognised in the consolidated income statement. For detailed information on the impairment requirements applicable to financial assets refer to [Note 2.14](#).

Debt instruments at FVtOCI are subsequently measured at their fair value. Interest income, which is calculated using the effective interest method, foreign exchange gains and losses as well as impairment losses are recognised in the consolidated income statement. Other net gains or losses are recognised in other comprehensive income. For derecognition, the accumulated other comprehensive income is reclassified to the consolidated income statement.

Equity investments at FVtOCI are subsequently measured at their fair value. Dividends are recognised as income in the consolidated income statement unless the dividends clearly represent cover for a part of the costs of the investment.

Other net gains or losses are recognised in other comprehensive income and are never reclassified to the consolidated income statement.

Financial liabilities

Financial liabilities are classified and measured at amortised cost (FLAC) or at fair value through profit or loss (FVtPL). A financial liability is classified at FVtPL if it is classified as “held for trading”, is a derivative or is designated as such on initial recognition.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expenses and foreign currency translation differences, as well as gains or losses arising from derecognition, are recognised in the consolidated income statement.

Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows of an asset expire or it transfers the rights to receive the cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Derecognition also occurs when the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group sells a part of the trade accounts receivable on a case-by-case basis, applying multiple criteria, to external factoring companies. In this process, the HENSOLDT Group determines whether any and all risks and rewards of ownership of the financial asset are fully transferred. Subsequently, these trade accounts receivable are derecognised and the Group assesses whether a continuing involvement exists and if so, a separate item must be recognised.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire. The Group also derecognises a financial liability if its contractual terms are changed and the cash flows of the adjusted liability differ significantly. In this case, a new financial liability based on the adjusted terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the settled liability and the consideration paid (including transferred non-cash assets or assumed liabilities) is recognised in the consolidated income statement.

Derivative financial instruments

The Group carries out some of its transactions in foreign currency, such as customer or supplier contracts. It enters into foreign currency forward and foreign currency swap transactions and commits to purchases and sales in corresponding foreign currencies to limit the risks to income and costs from currency fluctuations.

Derivatives are measured at fair value on initial recognition; attributable transaction costs are recognised in the consolidated income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value through profit or loss (FVtPL).

Embedded derivatives, if subject to separation, are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

2.11 Government grants

In accordance with IAS 20, government grants are not recognised in the Financial Statements until a reasonable assurance exists that HENSOLDT will fulfil the conditions associated with the grant and that the grant will actually be awarded.

As a rule, HENSOLDT recognises grants related to income under other operating income. They are recognised in profit or loss proportionately over the periods in which the corresponding expenses are to be compensated. Grants for future expenses are therefore recognised as deferred income and reversed to profit or loss as the expenses are incurred.

2.12 Income taxes

Income taxes comprise current income taxes and deferred taxes.

Current income tax asset/liability

The current tax asset or liability comprises the expected tax receivable or payable on the taxable income or loss for the year and any adjustment to the tax receivable or payable in respect of previous years. The amount of current tax receivable or payable is the best estimate of the tax amount expected to be received or paid that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted on the balance sheet date. Current tax also includes any tax arising from the assessment of dividends.

Current tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and the current taxes relate to the same taxable entity and the same tax authority.

Deferred taxes/global minimum taxation

The global minimum taxation under BEPS Pillar 2 (Base Erosion and Profit Shifting - Pillar 2) aims to address tax challenges arising as the global economy becomes more digitalised. Germany and other countries in which HENSOLDT operates implemented these regulations into national legislation from 2024. Relating to whether these regulations create additional temporary differences, whether a revaluation of deferred taxes is required under these regulations, and which tax rate should be used for the valuation of deferred taxes, a mandatory temporary exemption from the requirements of IAS 12 was introduced in IAS 12. Under this mandatory exemption, no deferred tax assets or liabilities relating to global minimum taxes are required to be recognised or disclosed under BEPS Pillar 2. The Group has applied this temporary exception in the 2025 Consolidated Financial Statements (see IAS 12.88A).

2.13 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of group companies at the exchange rates on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate on the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical costs in a foreign currency are translated at the exchange rates at the date of the transaction. Foreign currency differences are generally recognised in the consolidated income statement of the period. Currency translation differences from operating business are reported in revenues or cost of sales and currency translation differences from non-operating business are reported under other finance income / expense.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- An investment in equity securities designated at FVtOCI (except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to the consolidated income statement);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition are translated into euros (€) at the exchange rates prevailing on the reporting date. Income and expenses of foreign operations are translated at yearly average exchange rates. Foreign currency differences are recognised in other

comprehensive income and presented in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interests.

2.14 Impairment

Non-derivative financial assets

The Group generally recognises allowances for expected credit losses (ECL) for:

- Financial assets measured at amortised cost
- Contract assets

HENSOLDT measures its impairment allowances for trade receivables and contract assets using the “simplified impairment model”. The simplified model allows the loss allowance for full lifetime expected credit losses to be determined for all assets. Consequently, no review is required as to whether a significant increase in credit risk occurred requiring a transfer from Level 1 to Level 2.

To assess whether the credit risk of a financial asset has significantly increased since initial recognition and for assessing expected credit losses, the Group considers reasonable and supportable information which is relevant and available without undue cost or effort. This covers both quantitative and qualitative information and analysis which is based on past experience of the Group and in-depth assessments, including forward-looking information. If there are objective indications of impairment, interest income must also be recognised on the basis of the net carrying amount (carrying amount less any loss allowance) (Level 3).

Presentation of impairment for expected credit losses in the statement of financial position

Impairment losses for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Financial assets with impaired creditworthiness

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is credit-impaired if one or more events occur which have adverse effects on the expected future cash flows of the financial asset.

Indicators that a financial asset is credit-impaired include the following observable data:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past-due event of more than 90 days; or
- It is probable that the borrower will enter bankruptcy or other financial reorganisation.

Impairment

The gross carrying amount of a financial asset is impaired when, based on an appropriate assessment, the Group has no reasonable expectations that the financial asset can be realised in full or in part. The Group does not necessarily assume that there is a significant increase in credit risk even if the overdue amount is more than 30 days due to the (end) customer structure.

Non-financial assets

At the end of each reporting year, the Group assesses whether there is an indication of impairment of a non-financial asset or a CGU to which the asset belongs (e.g. changes in the legal framework, introduction of new technology, etc.). In addition, intangible assets with indefinite useful lives, intangible assets not yet available for use as well as goodwill are tested for impairment in the fourth quarter of each fiscal year, regardless of whether or not there are any indications of

impairment. For impairment testing, goodwill is allocated to a CGU or group of CGUs in order to reflect the manner in which goodwill is monitored for internal management purposes.

2.15 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values for both financial and non-financial assets and liabilities.

The fair value is the price at which the Group would sell an asset or transfer a liability under current market conditions on the measurement date in an orderly transaction on the primary market. Alternatively, the most advantageous market to which the Group has access at this point in time is used. The fair value of a liability reflects the non-performance risk.

The Group uses the three levels of the hierarchy of IFRS 3 to determine and present fair value of the financial instruments for each valuation method.

The Group uses the following methods to determine the fair value:

Equity instruments

The fair value of unlisted equity instruments cannot be reliably determined without considerable additional effort, as the area of reasonable approximation of the fair value is decisive and the probabilities of the various estimates within the area cannot be appropriately assessed. With due consideration of materiality, these instruments are measured at cost and their carrying amounts are used in place of fair value.

Assets from customer financing and other loans

The carrying amounts shown in the Financial Statements are used as rough estimates of the fair value.

Trade receivables, contract assets and other receivables

The carrying amounts shown in the Financial Statements are used as reasonable approximation of the fair value due to the relatively short period between the receivable arising and it falling due or because the Group expects to realise them during its normal business cycle.

Cash and cash equivalents

These comprise cash on hand and cash including short-term deposits at banks. The carrying amounts shown in the Financial Statements are used as reasonable approximation of the fair value due to the relatively short period between the instrument arising and its term or maturity.

Plan assets

Other assets include shares in limited partnerships (HENSOLDT Real Estate GmbH & Co. KG, Taufkirchen, and HENSOLDT Real Estate Oberkochen GmbH & Co. KG, Taufkirchen) that are considered plan assets according to IAS 19. The limited partnerships essentially hold real-estate assets which are evaluated based on current market parameters. The fair value of the real-estate assets represents a material part of the net assets of the limited partnerships.

Pooled investment instruments include shares of investment funds, for which market prices are available.

Derivatives

The fair values of derivative instruments are, where available, based on quoted market prices but in most cases are determined using accepted measurement methods such as option pricing models and discounted cash flow models.

Measurement is based on observable market data such as exchange rates, rates for foreign currency forward transactions, interest rates and yield curves.

The fair values of derivatives are measured on the basis of input parameters from Level 2.

The fair value for foreign currency forward and foreign currency swap transactions is determined by using the quoted forward rate as of the reporting date and net present value calculations based on yield curves with high credit ratings in the relevant currencies.

The fair value of interest rate swaps is calculated as the present value of estimated future cash flows. Estimates of future cash flows from variable interest payments are based on quoted rates for interest rate swaps, future prices and interbank interest rates. The estimated cash flows are discounted using a yield curve that was constructed from similar sources and reflects the relevant comparable interbank interest rate used by market participants for pricing the interest rate swaps. The fair value estimate is adjusted for the credit risk which reflects the credit risk of the Group and the contracting party. This is calculated using credit spreads derived from credit default swap and bond prices.

Financing liabilities

The fair values recognised for financing liabilities, which are not issued bonds or issued debt securities, are determined on the basis of input parameters from Level 2 in which planned or expected cash flows are discounted with corresponding market interest rates.

Trade accounts payables, contract liabilities and other current financial liabilities

The carrying amounts of trade accounts payable, contract liabilities and other current financial liabilities are seen as reasonable approximations of the fair value due to the relatively short period between the instrument arising and its maturity or due to the expectation that it will be settled within the normal business cycle.

3 Material estimates and judgements

The preparation of the Group's Consolidated Financial Statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, as well as the related disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Changes of estimates are recognised prospectively.

3.1 Revenue recognition over time

Revenue from the rendering of performance obligations over a certain period of time is usually recognised using the percentage-of-completion method (cost-to-cost method). Under this method, exact estimates of contract results at the stage of completion and level of progress are necessary. To determine the progress of the contract, the material estimates include total contract costs, the remaining costs until completion, the overall contract revenue and the contract risks.

Management regularly reviews all estimates used for these contracts and adjusts them as required (for more information, please refer to [Note 2.3](#)).

3.2 Capitalisation of development cost

When capitalising development cost, the Group makes estimates regarding the actual development cost as well as estimates as to whether the product or the process is technically and commercially viable.

3.3 Assets acquired and liabilities assumed as well as goodwill

Measurement of the fair value of assets acquired and liabilities assumed in the course of business combinations, which form the basis of the measurement of goodwill, requires material estimates. Land, buildings and machinery are usually measured independently while marketable securities are measured at market prices. If intangible assets are identified, based on the type of intangible asset and the complexity of determining its fair value, the Group consults either an independent external valuation expert or develops the fair value internally using suitable valuation techniques that are based in general on the forecast of total expected future net cash flows.

These measurements are closely related to management's assumptions regarding the future development of related assets and the discount rate to be applied.

3.4 Provisions

The measurement of provisions, e.g. for onerous contracts, warranties and arbitration or court proceedings, is based on best available estimates. Onerous 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 achieving certain performance standards and estimates, for example of warranties. The extent of the assumptions, assessments and estimates in these monitoring processes depends on the size and type of the Group's contracts and the associated projects.

3.5 Employee benefits

The Group recognises pension and other retirement benefits in accordance with actuarial valuations. These valuations are based on statistical and other factors for anticipating future events. The assumptions can deviate significantly from actual developments due to changing market and economic conditions, such as in particular due to the current interest rate and inflation developments, and thus lead to a significant change in employee benefits obligations and the related future costs (refer to [Note 35](#)).

In addition to uncertainties arising from the assumptions of employees' future behaviour when exercising the pay-out option, the Group is exposed to other actuarial uncertainties relating to defined benefits obligations, including the following:

Market price risk

The market values of plan assets are subject to fluctuations which can impact the net defined benefit obligation.

Interest rate risk

The value of the defined benefit obligations and the plan assets is materially affected by the discount rate used. In general, the defined benefit obligation is sensitive to movements in interest rates which leads to volatile results in the valuation.

Inflation risk

Defined benefit obligations can be sensitive to movements in the inflation rate, whereby a higher inflation rate could lead to an increase in the obligation. As some pension plans are directly tied to salary, salary growth can lead to an increase in pension obligations.

Longevity risk

Pension obligations are sensitive to the life expectancy of their beneficiaries. Increased life expectancy leads to an increase in the valuation of the pension obligation.

The weighted average assumptions for the most important pension plans in Germany used to calculate the actuarial value of the obligation are as follows:

	Pension plans in Germany	
	31 Dec. 2025	31 Dec. 2024
Assumptions in %	2025	2024
Discount rate	4.4 %	3.5 %
Wage increase rate (until age 35)	3.0 %	3.0 %
Wage increase rate (from age 36)	2.0 %	2.0 %
Pension increase rate	2.0 %	2.0 %

For Germany, the Group derives the discount rate used to determine defined benefits obligations from the yields for high-quality corporate bonds. The discount rate for the estimated term of the respective pension plan is then extrapolated along the yield curve.

The wage increase rates are based on long-term expectations of the respective employer that are derived from the inflation rate assumed. From the year 2026, a linear wage increase rate of 3.0% was applied for employees aged up to 35, and a linear 2.0% increase rate for employees aged 36 and over. Payments for pension increase rates are derived from the respective inflation rate for the plan. An adjustment guarantee of 2.0% p.a. for the pension increase rate is assured from 2026 for the most important pension plans in Germany.

Moreover, an assumption is made as to what extent the employees choose the option of a one-off payment, instalment payment or pension when the benefit falls due.

The calculation of pension obligations is based on the current 2018 G biometric reference tables provided by Heubeck.

3.6 Income tax

In terms of income taxes, material estimates and assessments arise in respect of deferred tax assets. The assessment of the impairment of deferred tax assets depends on the management's estimate of the utilisation of the deferred tax assets. This is dependent on the availability of future taxable profits in the periods when the tax measurement differences are reversed and the tax loss carryforwards can be utilised. Taking into account tax adjustment effects, the Group anticipates that the corresponding benefits from capitalised deferred tax assets can be realised due to sufficient future taxable income within the planning period, based on individual planning by the companies.

3.7 Lease term – Group as lessee

HENSOLDT Group determines the lease term as the non-cancellable term of the lease, 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.

HENSOLDT Group has several lease contracts that include extension and termination options and applies discretionary decisions in evaluating whether it is reasonably certain that the option to extend or terminate the lease will be exercised. HENSOLDT Group considers all relevant factors that create economic incentives to exercise either the renewal or termination. After the contract commencement date, HENSOLDT Group reassesses the lease if there is a significant event or change in circumstances that are within its control and affect its ability to exercise or not to exercise the option to renew or to terminate.

Please refer to [Note 29](#) for information on potential future lease payments relating to periods following the commencement date of an extension and termination option that are not included in the lease term.

3.8 Determination of fair values

Several accounting policies (inter alia IFRS 3) and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, HENSOLDT Group uses

observable market data as far as possible. Using unobservable market parameters, material estimates and assessments need to be determined. HENSOLDT Group regularly reviews significant unobservable inputs and valuation adjustments. (refer to [Note 2.15](#)).

4 Changes in material accounting policies

Standard and changes	Date of effectiveness from IASB for the annual reporting period beginning on or after	EU endorsement status	Material impact on the consolidated financial statements
Amendments to IAS 21: Lack of exchangeability	1 January 2025	Confirmed	No

5 New standards issued but not yet effective

A range of new or revised standards, changes and improvements to standards and interpretations are not yet applicable to the fiscal year ending 31 December 2025, and were not applied when preparing these Consolidated Financial Statements. Premature application is not intended. Amendments to standards not separately listed are not expected to have an impact on HENSOLDT Group.

Standard and changes	Date of effectiveness from IASB for the annual reporting period beginning on or after	EU Endorsement status	Expected material impact on the consolidated financial statements
Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026	Confirmed	No
Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	Confirmed	No
Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency	1 January 2027	Not yet confirmed	No
IFRS 18: Presentation and disclosure in Financial Statements	1 January 2027	Confirmed	Yes
IFRS 19: Subsidiaries without Public Accountability - Disclosures	1 January 2027	Not yet confirmed	No
Annual Improvements - Volume 11	1 January 2026	Confirmed	No

In fiscal year 2025, HENSOLDT conducted a detailed analysis of the substantive and procedural effects of the first-time application of IFRS 18 to the Consolidated Financial Statements and initiated a comprehensive project, which is currently ongoing, for this purpose.

II Group structure

6 Consolidated group

The shareholdings as of 31 December 2025 are listed in the following table:

Company	Registered office	Share of capital	Consolidation method
HENSOLDT AG	Taufkirchen / Germany	–	PC
HENSOLDT Holding GmbH ²	Taufkirchen / Germany	<100.0% ¹	FC
HENSOLDT Holding Germany GmbH ²	Taufkirchen / Germany	<100.0% ¹	FC
HENSOLDT Sensors GmbH ²	Taufkirchen / Germany	<100.0% ¹	FC
HENSOLDT Optronics GmbH ²	Oberkochen / Germany	<100.0% ¹	FC
GEW Integrated Systems (Pty) Ltd.	Brummeria / South Africa	100.0%	FC
GEW Technologies (Pty) Ltd.	Brummeria / South Africa	93.3%	FC
HENSOLDT South Africa (Pty) Ltd.	Irene / South Africa	70.0%	FC
HENSOLDT Australia Pty Ltd.	Fyshwick / Australia	100.0%	FC
HENSOLDT Cyber GmbH i.L. ³	Taufkirchen / Germany	100.0%	FC
HENSOLDT Avionics Holding GmbH ²	Pforzheim / Germany	100.0%	FC
HENSOLDT Avionics GmbH ²	Pforzheim / Germany	100.0%	FC
EuroAvionics UK Ltd.	London / United Kingdom	100.0%	FC
HENSOLDT Avionics US HoldCo. Inc.	Dover / USA	100.0%	FC
HENSOLDT Avionics USA LLC	Sarasota / USA	100.0%	FC
HENSOLDT UK Limited	Enfield / United Kingdom	100.0%	FC
KH Finance No. 2 Limited	Enfield / United Kingdom	100.0%	FC
KH Finance Limited	Enfield / United Kingdom	100.0%	FC
Kelvin Hughes Limited	Enfield / United Kingdom	100.0%	FC
HENSOLDT Netherlands B.V. (formerly Kelvin Hughes (Nederland) B.V.)	Rotterdam / The Netherlands	100.0%	FC
A/S Kelvin Hughes	Ballerup / Denmark	100.0%	FC
HENSOLDT Singapore Pte. Ltd.	Singapore / Singapore	100.0%	FC
HENSOLDT Holding France S.A.S.	Paris / France	100.0%	FC
HENSOLDT France S.A.S.	Plaisir / France	100.0%	FC
Kite Holding France S.A.S.	Paris / France	100.0%	FC
HENSOLDT Nexeya France S.A.S.	Toulouse / France	100.0%	FC
HENSOLDT Space Consulting S.A.S.	Toulouse / France	100.0%	FC
HENSOLDT Mechatronic Solutions S.A.S.	Toulouse / France	85.0%	FC
Nexeya Canada Inc.	Markham / Canada	100.0%	FC
HENSOLDT Analytics GmbH	Vienna / Austria	100.0%	FC
ESG Elektroniksystem- und Logistik-GmbH ²	Munich / Germany	100.0%	FC
ESG Consulting GmbH	Fürstenfeldbruck / Germany	100.0%	FC
ESG Aerosystems Inc.	Starke / USA	100.0%	FC
Cyoss GmbH ²	Munich / Germany	100.0%	FC
ESG Facility Management GmbH ²	Fürstenfeldbruck / Germany	100.0%	FC
HENSOLDT Theon NightVision GmbH	Wetzlar / Germany	50.1%	EQ

PC = parent company; FC = fully consolidated affiliated company; EQ = company consolidated using the equity method

¹ Participation by the Federal Republic of Germany with one share with a nominal value of €1

² Exemption pursuant to Section 264 (3) German Commercial Code (HGB)

³ In liquidation

The Consolidated Financial Statements include the Financial Statements of HENSOLDT AG and the Financial Statements of all material subsidiaries that are directly and indirectly controlled by HENSOLDT AG. The Group companies prepare their Financial Statements on the same reporting date for which the Group prepares its Consolidated Financial Statements. In the 2025 fiscal year, the liquidated EuroAvionics Schweiz AG was deconsolidated and the subsidiary ESG InterOp Solutions GmbH, previously not consolidated for reasons of materiality, was merged into the fully consolidated ESG Elektroniksystem- und Logistik-GmbH. As a result, as of 31 December 2025, 35 companies including the parent company were fully consolidated (previous year: 36) while 1 company (previous year: 1) was accounted for in the Consolidated Financial Statements using the equity method.

The following 23 (previous year: 24) companies listed below were not consolidated due to their minor importance. In addition to the merger of ESG InterOp Solutions GmbH, the most significant changes in the reporting year include the liquidation of ESG B.V., which was completed on 1 January 2025, and the acquisition of shares in Quantum Systems GmbH.

Company	Registered Office	Equity in € million	Profit/loss in € million	Share of capital	Consolidation method
Atlas Advanced Optoelectronics & Security L.L.C. ⁵ (formerly Atlas Optronics LLC)	Abu Dhabi / UAE	0.1	0.2	49.0%	AC
EURO-ART Advanced Radar Technology GmbH ⁴	Munich / Germany	0.2	-0.0	25.0%	AC
EURO-ART International EWIV ³	Munich / Germany	7.5	0.1	50.0%	AC
EUROMIDS S.A.S. ⁵	Paris / France	6.1	1.8	25.0%	AC
LnZ Optronics Co. Ltd. ³	Seoul / South Korea	1.4	0.2	50.0%	AC
PMTL-Peinture Composite S.A.S. ²	L'Isle-Jourdain / France	0.1	0.0	49.8%	AC
J.A.M.E.S. GmbH i.L. ^{3,7}	Taufkirchen / Germany	1.4	-2.1	50.0%	JV
Société Commune Algérienne de Fabrication de Systèmes Electroniques SPA ⁵	Sidi Bel Abbès / Algeria	35.2	1.0	49.0%	JV
Deutsche Elektronik Gesellschaft für Algerien mbH ⁵	Ulm / Germany	10.1	-0.1	66.7%	JV
Antycip Iberia SL ³	Barcelona / Spain	0.0	0.0	100.0%	NC
HENSOLDT do Brasil Segurança e Defesa Eletrônica e Optica Ltda ⁵	São Paulo/ Brazil	0.0	0.1	100.0%	NC
HENSOLDT Private Ltd. ⁶	Bangalore / India	1.0	0.1	100.0%	NC
MaHyTec S.A.S. ³	Dole / France	-4.2	-2.0	100.0%	NC
Nexeya USA Inc. ²	Beaufort / USA	0.0	–	100.0%	NC
HENSOLDT Nexeya Belgium SRL ³	Mouscron / Belgium	0.2	0.2	100.0%	NC
Kelvin Hughes LLC ⁵	Bethesda / USA	1.0	3.4	100.0%	NC
HENSOLDT Middle East Limited Company ¹	Riyadh/ KSA	0.1	-0.1	100.0%	NC
HENSOLDT Switzerland GmbH ⁵	Bern / Switzerland	0.1	0.1	100.0%	NC
21strategies GmbH ³	Hallbergmoos / Germany	1.6	-0.5	15.5%	OP
KBN CADTRAN EDV System GmbH ⁵	Bremen / Germany	0.5	-0.0	100.0%	NC
KBN Konstruktionsbüro GmbH ⁵	Bremen / Germany	0.8	-0.1	100.0%	NC
PTL Luftfahrt GmbH i.L. ^{5,7}	Kiel / Germany	–	-0.3	100.0%	NC
Quantum-Systems GmbH ³	Gilching / Germany	61.8	1.3	1.6%	OP

NC: Non-consolidated affiliated company valued at cost

AC: Associated company valued at cost

JV: Joint venture pursuant to IFRS 11 valued at cost

OP: Other participation valued at cost

n/a: No financial data available

¹ Equity and profit/loss 31/12/2022

² Equity and profit/loss 30/06/2023

³ Equity and profit/loss 31/12/2023

⁴ Equity and profit/loss 30/09/2024

⁵ Equity and profit/loss 31/12/2024

⁶ Equity and profit/loss 31/03/2025

⁷ In liquidation

7 Investments accounted for using the equity method

HENSOLDT Theon NightVision GmbH in which HENSOLDT Optronics GmbH holds 50.1% of the shares, was included among the consolidated companies of HENSOLDT Group accounted for using the equity method, as HENSOLDT cannot exercise control over the entity due to contractual arrangements.

The resulting pro rata earnings effect of €3 million for fiscal year 2025 (previous year earnings effect for the period from 1 October 2024 to 31 December 2024: €3 million) was recorded in the consolidated income statement. In fiscal year 2025, a dividend of €1 million was received, thereby reducing the carrying amount of the investment recognised using the equity method.

8 Transactions with related parties

8.1 Related persons and entities

In accordance with IAS 24, transactions with individuals or entities that control or are controlled by the HENSOLDT Group must be disclosed unless they have already been included as consolidated entities in the Consolidated Financial Statements. In addition, there is an obligation to disclose transactions with associates and persons who have significant influence over the operating and financial policies of HENSOLDT Group as well as with entities that are controlled by them. Significant influence in this context can be based on a shareholding in HENSOLDT AG of 20.0% or more or a key management position.

Key management personnel

The key management personnel of HENSOLDT Group are the Management Board and the Supervisory Board of HENSOLDT AG, who are thereby considered as related persons of HENSOLDT AG.

Members of the Management Board

- Oliver Dörre, CEO
- Christian Ladurner, CFO
- Dr. Lars Immisch, CHRO (until 31 December 2025)

Members of the Supervisory Board

- Reiner Winkler, Chair of the Supervisory Board, Independent Consultant
- Armin Maier-Junker, Vice Chair of the Supervisory Board, Chair of the Works Council of HENSOLDT Sensors GmbH, Ulm; Chair of the General Works Council of HENSOLDT Sensors GmbH and Chair of the Group Works Council of HENSOLDT AG
- Dr. Jürgen Bestle, CTO of HENSOLDT AG
- Jürgen Bühl, Division Manager on the Executive Board of IG Metall
- Marco R. Fuchs, Chair of the Management Board of OHB SE
- Achim Gruber, Chair of the Works Council of HENSOLDT Optronics GmbH, Oberkochen
- Ingrid Jägering, Member of the Management Board and CFO of Stihl AG
- Marion Koch, Member of the Works Council of HENSOLDT Sensors GmbH, Immenstaad; Head of the "Airborne & Space Radars" business unit of HENSOLDT Sensors GmbH

- Giuseppe Panizzardi, Senior Vice President M&A and Equity Investments of Leonardo S.p.A.
- Raffaella Luglini, Chief Sustainability Officer of Leonardo S.p.A.
- Julia Wahl, Press Officer at IG Metall Baden-Württemberg
- Hiltrud Werner, Management Consultant

Related entities

The Italian aerospace and defence group Leonardo S.p.A., (“Leonardo”) has a 22.8% shareholding in HENSOLDT AG. That makes Leonardo and the companies controlled by Leonardo related parties of HENSOLDT AG with significant influence. HENSOLDT and Leonardo as well as the companies controlled by Leonardo have various business relationships and collaborate in a series of programmes. Leonardo and the companies controlled by Leonardo are, on the one hand, customers of HENSOLDT who purchase or use HENSOLDT products and services. HENSOLDT is, on the other hand, as a customer, in a business relationship with Leonardo and the companies controlled by Leonardo.

The German Federal Government (“Bund”) holds an indirect interest amounting to 25.1% of the shares in HENSOLDT AG through the German national development bank, KfW (Kreditanstalt für Wiederaufbau), a public law institution controlled by the German Federal Government. The German Federal Government is therefore one of HENSOLDT AG’s related parties with significant influence. HENSOLDT Group maintains diverse relationships with the Federal Government and with other companies controlled by the latter. The Federal Government, related government agencies and offices as well as other companies controlled by the Federal Government are, each independent from each other, customers of HENSOLDT and purchase and use many of HENSOLDT’s products and services.

A member of the Supervisory Board, Marco R. Fuchs, indirectly holds the majority of shares in OHB SE (including its subsidiaries (OHB Group)). The companies of the OHB Group are therefore related parties to HENSOLDT AG. The OHB Group purchases or uses products and services from HENSOLDT.

Additional related parties are HENSOLDT Pension Trust e.V. (including its subsidiaries) as pension funds of HENSOLDT Sensors GmbH and HENSOLDT Optronics GmbH as well as the non-consolidated subsidiaries, associated and joint venture companies of the Group.

8.2 Related party transactions with entities

In the course of its operating activities, the HENSOLDT Group exchanges goods and services with numerous related entities. These transactions are carried out at customary market conditions.

in € million	Fiscal year	
	2025	2024
Revenue		
Entities with significant influence	730	643
Joint ventures	11	12
Associated companies	14	16
Non-consolidated companies	188	125
Other income and cost reimbursements		
Entities with significant influence	4	0
Joint ventures	0	0
Associated companies	3	–
Non-consolidated companies	1	0
Other related parties	8	11

Revenue from non-consolidated companies mainly include sales to distribution companies and consortia that resell products to end customers.

In the reporting year, the Group received a profit share of €3 million (previous year: €– million) from an associated company, which was recognised in other income / expense from investments.

in € million	Fiscal year	
	2025	2024
Purchases of goods and services and other expenses		
Entities with significant influence	231	59
Joint ventures	0	0
Associated companies	3	3
Non-consolidated companies	30	5
Other related parties	18	18

The goods and services received from other related parties include expenses related to building leases in the amount of €18 million (previous year: €18 million).

in € million	31 Dec.	31 Dec.
	2025	2024
Receivables		
Entities with significant influence	109	81
Joint ventures	29	29
Associated companies	14	10
Non-consolidated companies	14	43
Other related parties	0	0
Liabilities		
Entities with significant influence	28	8
Joint ventures	0	3
Associated companies	–	14
Non-consolidated companies	1	22
Other related parties	2	2

The receivables from and liabilities to related parties in fiscal year 2025 essentially relate to trade receivables and trade payables.

Loans amounting to €1 million (previous year: €0 million) were issued to companies not included in the consolidated financial statements.

The investments in real-estate companies that serve as plan assets are considered related parties. Further information regarding the financing of the pension plans for the Group's employees through plan assets is provided in [Note 35](#).

8.3 Related party transactions with persons

Total remuneration of the Management Board

The members of the Management Board received salaries and other short-term benefits (including bonuses) totalling €3.1 million for the fiscal year (previous year: €4.2 million). Expenses associated with share-based remunerations recognised in the consolidated income statement during the reporting year amounted to €1.8 million (previous year: €2.9 million). Past-service costs of €0.3 million (previous year: €0.3 million) arose as benefits after the employment for pension obligations of active members of the Management Board. The benefits arising from the termination of employment of members of the Management Board amounted to €1.5 million (previous year: €2.2 million). The total expenses recognised for the members of the Management Board in the reporting year (according to IAS 24.17) therefore totalled €6.8 million (previous year: €9.6 million).

The committed present value of the pension commitments to former members of the Management Board and their surviving dependents amounted to €3.9 million (previous year: €5.4 million).

The total remuneration of the Management Board pursuant to Section 314 (1) No. 6a, sentence 1 to 3 German Commercial Code (HGB) amounted to €5.6 million in fiscal year 2025 (previous year: €7.0 million). This figure includes the fair value at grant for share-based compensation of €2.5 million (previous year: €2.8 million) for the award of 33,565 (previous year: 80,452) virtual shares. For the performance targets linked to these awards, we refer to the Remuneration Report published on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

Former members of the Management Board, including those who left at the end of the year, received total remuneration pursuant to Section 314 (1) No. 6b HGB amounting to €2.7 million (previous year: €2.3 million). HENSOLDT AG made pension provisions of €5.2 million (previous year: €6.6 million) for pension commitments to former members of the Management Board and their surviving dependents according to HGB.

Remuneration of the Supervisory Board

The remuneration for the members of the Supervisory Board comprised general remuneration and additional remuneration for committee activities amounting in total to €1.0 million (previous year: €1.0 million).

Information on the remuneration of individual Management Board and Supervisory Board members is presented in the Remuneration Report published on the website of HENSOLDT at <https://investors.hensoldt.net>.

III Group performance

9 Operating segments

9.1 Segmentation

HENSOLDT Group's segmentation corresponds to its internal steering, controlling and reporting structures. In accordance with IFRS 8, HENSOLDT has identified the reportable operating segments "Sensors" and "Optronics".

HENSOLDT Group is, as described below, divided into the two operating segments Sensors and Optronics, both of which are subject to reporting requirements.

At the start of fiscal year 2025, a new operating structure for the divisions was implemented in order to provide optimum support for the strategic objectives of HENSOLDT. The most important change was the bundling of the system and solutions competencies of the former ESG Division and the former Spectrum Dominance & Airborne Solutions Division under the new Multi-Domain Solutions (MDS) Division.

Sensors operating segment

The Sensors segment provides system solutions with a focus on technical sensor technology from the four divisions Radar & Electromagnetic Warfare (REW), Optronics, Multi Domain Solutions (MDS) and Services & Training.

The products from the divisions REW and Optronics as well as the multi-faceted, comprehensive system solutions from the MDS Division complement each other in the value chain, generating synergies between the divisions such as through shared development and production. The Services & Training division is mainly positioned further down the value chain as an aftersales unit and is largely dependent on the primary business of the other divisions.

Radar & Electromagnetic Warfare (REW)

The Radar & Electromagnetic Warfare division of HENSOLDT develops and manufactures mobile and stationary radar and IFF systems (Identification Friend or Foe) for both military and civilian use. The division's product portfolio includes medium- and long-range air defence radars, ground surveillance systems, drone defence systems, airport surveillance systems, friend-or-foe identification systems, and systems for establishing secure data connections for air, sea and land platforms. These systems are used on various platforms. For example, the TRML-4D radar is used in the IRIS-T SLM air defence system. As a supplier to the Eurofighter programme, HENSOLDT is responsible for developing the Eurofighter Common Radar System (ECRS) Mk1 radar and further developing the Praetorian self-protection system.

The electronic warfare field focuses on the use of modern technologies to control the electromagnetic spectrum in order to neutralise enemy radar, communication and command systems using sophisticated jamming and deception techniques.

Optronics (OPT)

The Optronics division within the Sensors segment encompasses electronic self-protection systems that integrate missile, laser and radar warning sensors with countermeasures for air, sea and land platforms, for example in various helicopter models and on the PUMA infantry fighting vehicle.

Multi Domain Solutions (MDS)

The Multi-Domain Solutions (MDS) division brings together a diverse and comprehensive portfolio of solutions for the security and defence sector. MDS develops and implements tailor-made complete solutions and system solutions, including security-related systems, software and IT. As a technology and innovation partner and approved aviation company for aircraft and aircraft systems for the German Armed Forces, the division provides support for secure digitalisation and networking in all military and civil areas of application. MDS is responsible for the development, implementation, support and operation of individual platforms and complex end-to-end systems for both manned and unmanned applications. As a supplier of sensor technologies, HENSOLDT is strengthening its position in major programmes such as P-8A Poseidon and STH (heavy transport helicopter) and is responsible for key service and logistics projects.

The division also offers electronic systems for the detection and evaluation of radar and radio signals, as well as jamming systems that protect convoys or vehicles from improvised explosive devices, among other things. Alongside applications in the electromagnetic spectrum for land, sea and air operations, a range of defensive cyber solutions rounds off the product portfolio.

The division also includes military and civil avionics systems, for example situational awareness systems, mission computers and flight data recorders. These systems are used in the PEGASUS airborne signal intelligence system, for which HENSOLDT acts as consortium leader, in combat aircraft such as the Eurofighter, and in various transport aircraft and helicopters.

Services & Training

Ensuring operational readiness is of central importance in the defence sector. The Services & Training division mainly provides customer support and service activities, as well as professional maintenance over the entire lifecycle of the platforms and systems developed in the other divisions of the Sensors segment in order to guarantee their reliability and availability.

HENSOLDT offers a comprehensive, continually expanding training portfolio that includes in-person, in-house, blended learning, online as well as virtual-reality and extended-reality formats for the practical teaching of skills and capabilities.

Optronics operating segment

The Optronics segment offers system solutions with a focus on optronics from the three divisions Optronics (OPT), Radar & Electromagnetic Warfare (REW) and Services & Training. The focus is on the products of the Optronics division supplemented by Radar & Electromagnetic Warfare (REW) in the value chain. Services & Training is downstream from the other divisions and essentially includes the aftersales area.

Optronics (OPT)

The Optronics division includes optronics, optical instruments, and precision instruments for military, security-related and civilian applications in the areas of ground-based systems, maritime and border surveillance, airborne optronics and space technology. In terms of ground systems, the division offers reconnaissance, surveillance and target acquisition systems for military platforms (e.g. armoured vehicles), hand-held optics such as telescopic sights, visors, laser rangefinders, night vision devices and thermal imaging cameras, which support both snipers and infantry soldiers in observation and targeting. For maritime and border surveillance, optronic mast systems and periscopes for submarines as well as electro-optical/infrared surveillance systems for maritime and terrestrial infrastructures are supplied. The airborne optronics and space unit develops optics for space missions as well as electro-optical reconnaissance systems and self-protection solutions for various platforms to provide protection against complex threats. In addition, the division plays a role in the civil sector by supplying precision optics for lithographic systems in semiconductor manufacturing to aid microchip production.

Radar & Electromagnetic Warfare (REW)

The REW division within the Optronics segment offers solutions in the areas of defence and security as well as air traffic management. The defence and security portfolio particularly includes radar for ship and land applications, cryptographic devices and tactical point-to-point communication systems. The air traffic management portfolio includes the delivery, installation and maintenance of air traffic control radar, weather radar, navigation, voice communications and runway lighting systems for military and civil airports.

Services & Training

In the Services & Training division, service solutions for the products of the Optronics segment are developed, implemented and delivered. This ensures that the availability of products and systems is maintained for decades to ensure optimal functionality, performance and usability for customers.

9.2 Segment information

The operating segments of the HENSOLDT Group are internally steered and controlled through its most important financial KPIs: revenue, order intake, book-to-bill ratio and adjusted EBITDA. In addition, HENSOLDT uses its order backlog as another key performance indicator, with adjusted EBIT and adjusted free cash flow as two alternative further non-GAAP performance indicators.

The following table shows the KPIs used by the Management Board to evaluate the performance of each operating segment as well as additional information.

The "Elimination/Transversal/Others" items comprises predominantly special items⁴⁰ of non-operational group entities as well as consolidation measures. Transactions between the Sensors and Optronics segments are only of minor importance.

				Fiscal year
				2025
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Order intake	3,143	1,585	-18	4,710
Order backlog	6,505	2,366	-38	8,833
Book-to-bill-ratio	1.5x	3.9x		1.9x
Segment revenue	2,058	419	-21	2,455
Revenue from external customers	2,052	403	-	2,455
Intersegment revenue	6	15	-21	-

⁴⁰ Special items are "non-regularly recurring and extraordinary" effects. These are defined as "transaction costs, effects on earnings from purchase price allocations, OneSAPnow-related special items as well as other special items".

	Fiscal year			
	2025			
in € million	Sensors	Optronics	Elimination/ Transversal/Others	Group
Revenue	2,058	419	-21	2,455
Cost of sales	-1,614	-339	23	-1,930
Gross profit	443	80	2	525
Selling and distribution expenses	-105	-27	–	-132
General administrative expenses	-110	-29	-8	-147
Research and development costs	-29	-14	–	-42
Other operating income	124	16	-104	36
Other operating expenses	-102	-15	102	-16
Share of profit / loss from investments accounted for using the equity method	–	3	–	3
Other income / expense from investments	-3	1	-3	-6
Earnings before financial result and income taxes (EBIT)	217	14	-10	221
Financial result				-94
Earnings before income taxes (EBT)				127
Income taxes				-41
Group profit / loss				86

	Fiscal year			
	2025			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Material non-cash items other than depreciation and amortisation:				
Additions to other provisions	-108	-36	–	-144
Reversals of other provisions	47	6	–	53
Share of profits or loss in investments accounted for using the equity method	–	3	–	3

	Fiscal year			
	2025			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
EBITDA	362	46	-6	402
Effects on earnings from purchase price allocations	0	0	–	0
Transaction costs	–	–	0	0
OneSAPnow-related special items ¹	14	–	1	15
Other special items ²	18	12	5	35
Adjusted EBITDA	394	58	–	452
<i>Adjusted EBITDA margin³</i>	<i>19.2%</i>	<i>13.8%</i>		<i>18.4%</i>
EBITDA	362	46	-6	402
Depreciation, amortisation and impairments of non-current assets	-145	-32	-4	-181
EBIT	217	14	-10	221
Effect on earnings from purchase price allocations	38	7	–	45
Transaction costs	–	–	0	0
OneSAPnow-related special items ¹	14	–	2	16
Other special items ²	24	12	8	44
Adjusted EBIT	293	33	–	327
<i>Adjusted EBIT margin³</i>	<i>14.3%</i>	<i>8.0%</i>		<i>13.3%</i>

¹ OneSAPnow-related special items include expenses associated with the business transformation for SAP S/4HANA.

² Other special items mainly include expenses for moving into the new location in Oberkochen, expenses for the new logistics centre that went into operation in the 2024 fiscal year and the accompanying implementation of an IT merchandise management system, as well as expenses for consulting services incurred in connection with the acquisition and integration of the ESG Group.

³ Based on segment revenues.

	Fiscal year 2024			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Order intake	2,209	740	-45	2,904
Order backlog	5,463	1,225	-44	6,644
Book-to-bill-ratio	1.2x	2.2x		1.3x
Segment revenue	1,908	348	-15	2,240
Revenue from external customers	1,906	334	–	2,240
Intersegment revenue	2	14	-15	–

	Fiscal year 2024			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Revenue	1,908	348	-15	2,240
Cost of sales	-1,464	-283	15	-1,732
Gross profit	444	65	-1	508
Selling and distribution expenses	-96	-31	–	-128
General administrative expenses	-116	-28	-17	-162
Research and development costs	-22	-10	–	-32
Other operating income	106	15	-99	22
Other operating expenses	-106	-15	98	-24
Share of profit / loss from investments accounted for using the equity method	–	3	–	3
Other income / expense from investments	-4	2	-1	-3
Earnings before financial result and income taxes (EBIT)	205	-0	-20	185
Financial result				-68
Earnings before income taxes (EBT)				117
Income taxes				-12
Group profit / loss				106

	Fiscal year 2024			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Material non-cash items other than depreciation and amortisation:				
Additions to other provisions	-114	-49	–	-163
Reversals of other provisions	29	8	–	37
Share of profits or loss in investments accounted for using the equity method	–	3	–	3

	Fiscal year			
	2024			
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
EBITDA	347	20	-19	348
Effects on earnings from purchase price allocations	0	–	–	0
Transaction costs	–	–	3	3
OneSAPnow-related special items ¹	11	1	-1	12
Other special items ²	23	2	17	42
Adjusted EBITDA	381	24	–	405
<i>Adjusted EBITDA margin³</i>	<i>20.0%</i>	<i>6.9%</i>		<i>18.1%</i>
EBITDA	347	20	-19	348
Depreciation, amortisation and impairments of non-current assets	-141	-20	1	-163
EBIT	205	0	-20	185
Effect on earnings from purchase price allocations	40	6	–	46
Transaction costs	–	–	3	3
OneSAPnow-related special items ¹	11	1	0	13
Other special items ²	29	2	17	49
Adjusted EBIT	286	9	–	295
<i>Adjusted EBIT margin³</i>	<i>15.0%</i>	<i>2.7%</i>		<i>13.2%</i>

¹ OneSAPnow-related special items include expenses associated with the business transformation for SAP S/4HANA.

² Other special items include expenses for consulting services incurred in connection with the acquisition and integration of the ESG Group as well as in connection with setting up new infrastructure for HENSOLDT's R&D, production and logistics, such as for relocations and initial setups.

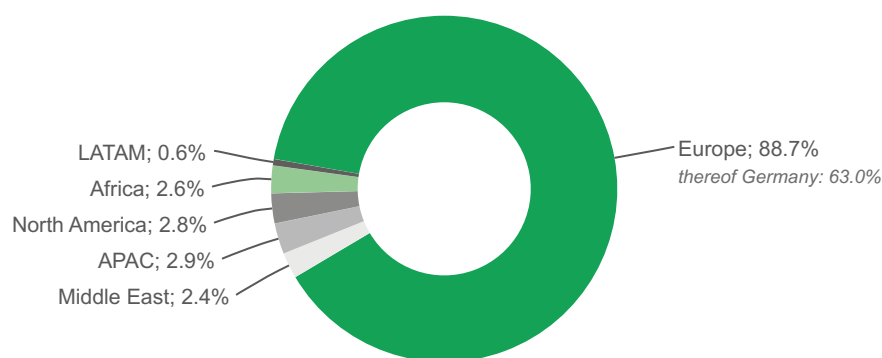
³ Based on segment revenues

9.3 Geographical information

The following table shows the revenue of the HENSOLDT Group based on the geographical location of the customers.

	Fiscal year	
in € million	2025	2024
Revenue		
Europe	2,178	1,966
<i>thereof Germany</i>	<i>1,547</i>	<i>1,282</i>
Middle East	59	83
APAC	71	78
North America	69	58
Africa	63	48
LATAM	15	7
Total	2,455	2,240

The following graphic shows the percentage breakdown of revenue based on the geographical location of customers.



The following table shows the geographical locations of non-current assets.

	31 Dec. 2025	31 Dec. 2024
in € million	2025	2024
Non-current assets¹		
Germany	2,330	2,080
Other regions	161	154
Total	2,490	2,233

¹ Excludes non-current other financial assets, deferred tax assets, other investments and non-current other financial investments, investments accounted for using the equity method, post-employment benefits and rights arising under insurance contracts.

9.4 Major customers

Within its two segments, the HENSOLDT Group has two (previous year: two) customers that each generate more than 10.0% of its total revenue. The first customer generated a revenue of €587 million (previous year: €487 million), and the revenue with the second customer amounted to €420 million (previous year: €398 million).

10 Revenue and cost of sales

10.1 Revenue

For reporting purposes, HENSOLDT Group distinguishes between two categories for revenue recognition: “Sales” and “Aftersales”. Revenue in the “Aftersales” category derives from selling products or services related to a previous purchase and are performed downstream in the value chain (sales of spare parts, maintenance and consultation services, mainly customer support and customer service). Revenue from first-time sale of goods and the provision of services that does not fall into the Aftersales category is reported as “Sales”.

The following table provides a breakdown of revenue from contracts with customers by revenue recognition category (sales and aftersales) and the timing of revenue recognition (at a point in time and over time).

A further breakdown of revenue by segment can be found in the notes on segment reporting (see [Note 9.2](#)).

	Fiscal year		
in € million	Sensors	Optronics	2025
Revenue from contracts with customers			
Sales	1,714	350	2,064
Aftersales	339	57	395
Exchange rate differences	-1	-3	-5
Total	2,052	403	2,455

	Fiscal year		
in € million	Sensors	Optronics	2025
Timing of revenue recognition			
Revenue recognition at a point in time	564	318	882
Revenue recognition over time	1,489	89	1,578
Exchange rate differences	-1	-3	-5
Total	2,052	403	2,455

	Fiscal year		
in € million	Sensors	Optronics	2024
Revenue from contracts with customers			
Sales	1,566	288	1,854
Aftersales	340	47	388
Exchange rate differences	-0	-1	-1
Total	1,906	334	2,240

	Fiscal year		
in € million	Sensors	Optronics	2024
Timing of revenue recognition			
Revenue recognition at a point in time	657	276	934
Revenue recognition over time	1,249	59	1,308
Exchange rate differences	-0	-1	-1
Total	1,906	334	2,240

10.2 Contract assets and contract liabilities

The following table provides information on the development of contract assets and contract liabilities from contracts with customers:

in € million	Contract assets	Contract liabilities
As of 1 January 2024	196	578
Increase due to business combinations	67	46
Revenue recognised in the reporting period included in the contract liability balance at the beginning of the period	–	-243
Increases due to cash received, except amounts recognised as revenue during the reporting period	–	407
Reclassifications from contract assets, recognised at the beginning of the period, to receivables	-87	–
Increases due to changes in the determination of stage of completion	214	–
Changes in the estimate of the transaction price or contract modification	–	-9
Other	-4	0
As of 31 December 2024	385	779
Revenue recognised in the reporting period included in the contract liability balance at the beginning of the period	–	-215
Increases due to cash received, except amounts recognised as revenue during the reporting period	–	581
Reclassifications from contract assets, recognised at the beginning of the period, to receivables	-172	–
Increases due to changes in the determination of stage of completion	202	–
Changes in the estimate of the transaction price or contract modification	-0	-4
Other	8	5
As of 31 December 2025	424	1,146

An allowance for impairment of €0.2 million (previous year: €0.2 million) is included in the carrying amount of the contract assets.

Proceeds from performance obligations which had been (partly) fulfilled in previous periods of €14 million (previous year: €15 million) were recognised in the reporting period.

10.3 Transaction price for remaining performance obligations

As of 31 December 2025, the total amount of the transaction price allocated to remaining performance obligations amounted to €8,833 million (previous year: €6,644 million). Management expects that 29.6% of this transaction price will be recognised as revenue in fiscal year 2026 and a further 39.1% in the period between 2027 and 2028. The remaining 31.3% will be recognised in fiscal year 2029 and subsequent years.

10.4 Cost of sales

Cost of sales comprises the total procurement and manufacturing costs of the products and services sold throughout the year. The main components of cost of sales are production materials, employee services, special direct manufacturing costs, material and manufacturing overheads, and project planning costs.

Cost of sales also includes research and development expenses incurred in connection with orders.

Cost of sales include amortisation from adjustments to the fair values of assets as part of the purchase price allocations of €45 million (previous year: €46 million) and amortisation of capitalised development expenditure.

Inventories recognised as an expense in the reporting period amount to €1,680 million (previous year: €1,500 million). The reported costs may also include production costs that were capitalised in the previous year, if the inventories concerned were sold in the current reporting period.

11 Selling, distribution and general administrative expenses

Selling, distribution and administrative expenses include all direct costs incurred in the current fiscal year and the associated overheads, such as personnel expenses and infrastructure costs, including rent and IT.

Selling and distribution expenses include all expenses incurred in connection with sales activities, including in particular travel expenses, commissions and expenses for quotation and sales support services.

General administrative expenses include all expenses incurred by the administrative cost centres. These include, above all, costs for legal, treasury, auditing, tax, accounting and controlling services. In addition, expenses for legal, auditing and consulting services are included in general administrative costs.

12 Research and development costs

Research and development costs amounted to €42 million (previous year: €32 million) and include, in particular, expenses for the Group's in-house basic research, non-capitalisable expenses for developing future products, and expenses for research and development projects outsourced to external partners. Regarding the capitalisation of development costs, refer to [Note 18](#).

13 Other operating income and expenses

13.1 Other operating income

in € million	Fiscal year	
	2025	2024
Recharged services	13	15
Income from government grants	9	3
Other	14	4
Other operating income	36	22

Other operating income results mainly from the transfer of costs recorded in other operating expenses to non-consolidated Group companies and mainly relates to recharged investment and maintenance costs relating to buildings as well as to the performance and invoicing of facility and administrative services.

13.2 Other operating expenses

in € million	Fiscal year	
	2025	2024
Recharged costs	13	16
Other	3	8
Other operating expenses	16	24

Other operating expenses mainly relate to recharged investment- and maintenance costs to buildings as well as facility and administrative services.

14 Financial result

in € million	Fiscal year	
	2025	2024
Interest income from plan assets	11	9
Interest income from cash and cash equivalents	9	15
Interest income from interest rate swaps	4	6
Change in fair value measurement of embedded derivatives	0	–
Other	0	1
Interest income	25	31
Interest expense for loans	-57	-61
Change in fair value measurement of embedded derivatives	-1	–
Interest expense from interest rate swaps	-3	-2
Interest expense on provisions for pension benefits	-24	-23
Interest expense on lease liabilities	-22	-14
Other	-0	0
Interest expense	-106	-100
Bank fees	-2	-1
Foreign currency translation of monetary items	-9	3
Change in fair value measurement of financial instruments	-1	2
Other	-1	-3
Other finance income / expense	-13	1
Financial result	-94	-68

15 Income taxes

Income taxes are broken down as follows:

in € million	Fiscal year	
	2025	2024
Current tax expense	-24	-13
<i>thereof income tax attributable to the previous year</i>	-2	-2
Deferred taxes	-17	1
<i>thereof changes in temporary differences</i>	-5	-10
Recognised tax	-41	-12
Deferred tax recognised directly in equity	-23	-0

For German companies, a corporation tax rate of 10.0% to 15.0% was used for the calculation of deferred taxes, depending on the time of conversion for the temporary differences. In addition, a solidarity surcharge of 5.5% on the corporation tax and a trade tax rate of 12.17% were again taken into account. This resulted in a current overall tax rate of 28.0% for German companies. For international group companies, the respective country-specific tax rates were used for the calculation of current and deferred taxes.

The law on an immediate tax investment programme to boost Germany's economy was passed by the German Federal Council (the Bundesrat) on 11 July 2025 and must be reflected in all financial statements issued after that date. The law provides, among other things, for a reduction in the corporation tax rate from the current 15% to 10%. The reduction will be implemented in stages from 2028 to 2032, with the corporation tax rate being reduced by 1 percentage point each year. This results in a revaluation of the deferred tax items recognised in the balance sheet. Deferred tax liabilities were written down to a greater extent than deferred tax assets, resulting in deferred tax income of €9.9 million.

The following table presents the reconciliation of expected tax expense and reported tax expense. Expected tax expense is determined by multiplying consolidated profit before tax by the total tax rate of 28.0% applicable in fiscal year 2025:

in € million	Fiscal year	
	2025	2024
Earnings before income tax	127	117
<i>Income tax rate</i>	28.0%	28.3%
Expected income taxes	-36	-33
Effects deriving from differences to the expected tax rate	0	-0
Change in the tax rate and tax laws	10	-0
Taxes for previous years	-1	-4
Other non-deductible expenses and taxes as well as effects from changes from permanent balance sheet differences	-11	-5
Tax-exempt income	4	4
Changes in the realisation of deferred tax assets	-10	27
Profit / loss from investments accounted for using the equity method	1	1
Other	1	-1
Income tax according to the consolidated income statement	-41	-12
<i>Effective tax rate in %</i>	32.2%	9.9%

The following table presents the reducing effect of previously unrecognised loss carryforwards and interest carryforwards on deferred tax and current tax:

in € million	Fiscal year	
	2025	2024
Benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce the current tax expense	0	28
Benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	0	26

Deferred tax assets and deferred tax liabilities are recognised in accordance with IAS 12 "Income Taxes" if future tax effects, either due to temporary differences between the carrying amounts of existing assets and liabilities and their tax bases or due to loss carryforwards, are expected. Deferred tax assets and deferred tax liabilities resulting from valuation differences in the balance sheet items are composed as follows:

	31 Dec. 2025	31 Dec. 2024
in € million		
Deferred tax assets		
Assets		
Intangible assets	0	–
Property, plant and equipment	0	3
Financial assets	1	1
Inventories and contract assets	14	14
Receivables and other assets	6	2
Liabilities		
Provisions	22	60
Liabilities	409	280
Loss carryforwards	9	20
Tax credits and interest carry-forwards	12	13
Deferred tax assets (gross)	474	393
Netting	-472	-392
Deferred tax assets (net)	1	1

	31 Dec. 2025	31 Dec. 2024
in € million		
Deferred tax liabilities		
Assets		
Intangible Assets	264	246
Property, plant and equipment	4	2
Financial assets	8	3
Inventories and contract assets	171	87
Receivables and other assets	22	7
Liabilities		
Provisions	46	66
Liabilities	124	105
Deferred tax liabilities (gross)	638	515
Netting	-472	-392
Deferred tax liabilities (net)	166	123
Excess of deferred tax liabilities	-165	-122

The change in the deferred tax position includes an increase in deferred tax liabilities of €2.2 million due to the purchase price allocation of the ESG Group. This amount relates to a correction of the ESG Group's 2024 deferred tax position, which occurred within 12 months and was therefore recognised in Q1 2025 against goodwill without affecting profit or loss.

The assessment of impairment of deferred tax assets depends on the management's estimate of the utilisation of the deferred tax assets. This is dependent on taxable profits in the periods when the tax measurement differences are reversed and the tax loss carryforwards can be utilised.

As of 31 December 2025 the Company did not recognise any deferred tax liabilities for profits of subsidiaries that were not distributed to the parent company. The Group assumes that the profits of its subsidiaries not distributed up to now will not be distributed in the foreseeable future. Temporary differences in connection with investments in subsidiaries for which no deferred tax liabilities were recognised amounted to €2.4 million (previous year: €3 million).

The following loss and interest carryforwards were recognised (gross amounts):

	31 Dec.	31 Dec.
in € million	2025	2024
Corporation tax loss carry-forwards	202	217
Trade tax loss carry-forwards	27	63
Interest carry-forwards	86	89
Tax credits	1	1

No deferred tax assets were recognised for the following loss and interest carryforwards, as the Group deems it unlikely that there will be taxable profits available which the Group can use to recover the tax losses (gross amounts):

	31 Dec.	31 Dec.
in € million	2025	2024
Corporation tax loss carry-forwards	167	138
Trade tax loss carry-forwards	27	27
Interest carry-forwards	40	40

The tax loss carryforwards for which no deferred tax assets were recognised are indefinitely usable.

In Germany, the Minimum Tax Act (MinStG) came into force on 28 December 2023 for fiscal years commencing after 30 December 2023. HENSOLDT falls within the scope of these regulations, as Group revenue exceeded €750 million in two of the last four reporting periods prior to fiscal year 2024. In addition, national regulations on top-up tax came into force in many countries in which HENSOLDT has subsidiaries, effective from 2024.

HENSOLDT conducted an analysis for the year ended 31 December 2025 to identify the general implications and the jurisdictions under which HENSOLDT is exposed to any potential effects in connection with a Pillar 2 top-up tax. It was concluded that the minimum tax will have no material impact on the Consolidated Financial Statements of HENSOLDT as at 31 December 2025. Therefore, no provision has been made for a top-up tax under the global minimum tax regime.

16 Earnings per share

Earnings per share are calculated by dividing the earnings attributable to the holders of the parent company's ordinary shares by the weighted average number of ordinary shares outstanding during the year. There were no conversion or option rights outstanding during the current and previous reporting period. Therefore, diluted earnings per share are identical with basic earnings per share.

	Fiscal year	
in € million	2025	2024
Group result attributable to the owners of HENSOLDT AG	89	108
Weighted average number of ordinary shares (in millions)	116	116
Basic and diluted earnings per share (in €)	0.77	0.93

IV Operating assets and liabilities

17 Goodwill

For impairment testing, goodwill of €1,117 million (previous year: €1,115 million) is allocated to the cash generating units (“CGU”) Sensors in the amount of €1,033 million (previous year: €1,031 million) and Optronics in the amount of €84 million (previous year: €84 million), which are also operating and reportable segments.

Goodwill developed as follows:

in € million	Sensors	Optronics	Total
As of 31 December 2024	1,031	84	1,115
Adjustment ESG Elektroniksystem- und Logistik-GmbH	2	–	2
As of 31 December 2025	1,033	84	1,117

The recoverable amount of both CGUs is based on their value in use, determined by discounting the future cash flows to be generated from continuing use of the CGU. As the carrying amount of the CGUs did not exceed the value in use of the CGUs, no impairment on goodwill was required.

The calculation of the value in use, performed in the fourth quarter of each year, is based on a DCF model as of 30 September. The cash flows are derived from the budget for the next three years and do not include restructuring activities, which HENSOLDT Group is not yet obligated to undertake, nor significant future investments that would improve the performance of the assets of the CGU tested. The recoverable amount depends on the discount rate used for the DCF model, the expected future cash flows and the growth rate used for extrapolation purposes. These estimates are mainly relevant for goodwill and other intangible assets with indefinite useful lives recognised by HENSOLDT Group.

The following key assumptions were made when estimating the useful lives:

Assumptions in %	30 Sep 2025		30 Sep 2024	
	Sensors	Optronics	Sensors	Optronics
Discount rate (post-tax)	6.8%	6.5%	6.8%	6.4%
Sustainable growth rate	2.0%	2.0%	1.0%	1.0%
Projected sustainable EBIT margin	13.5%	12.3%	13.3%	12.3%

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The calculation of the discount rate is based on the specific circumstances of HENSOLDT Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity as well as an industry-specific debt ratio. The cost of equity is derived from the market-based return on investment expected by the Group’s equity investors depending on their risk expectation. The cost of debt is the market-based interest rate on borrowings that is applicable to the Group. The industry-specific risk is accounted for by applying a beta factor that is evaluated annually based on publicly available market data. The corresponding pre-tax discount rate amounts to 9.0% (previous year: 9.3%) for the Sensors CGU and 8.8% (previous year: 9.1%) for the Optronics CGU.

The forecasted cash flows used by HENSOLDT Group in its DCF model are based on the operational business plan. This business plan includes a detailed planning horizon for three years and is, taking into account the long-term nature of the Company’s projects, converged into a steady state on which a terminal value is calculated. The terminal value underlies a sustainable growth rate of 2.0%.

Based on the market position, HENSOLDT Group expects further significant revenue growth in both operating segments for the detailed planning horizon.

When performing the impairment test for both CGUs, HENSOLDT Group conducted sensitivity analyses for the sustainable EBIT margin, the discount rate and sustainable growth rate. These analyses, which included varying the essential valuation parameters within an appropriate range, did not reveal any risk of impairment to goodwill.

18 Intangible assets

Intangible assets consist of the following:

in € million	Licences, patents and other rights	Other intangible assets	Capitalised develop- ment cost	Customer relation- ship, technology, order backlog, brand	Advance payments	Total
Acquisition cost						
As of 1 January 2024	28	1	347	527	7	909
Addition due to business combinations	1	8	–	241	–	250
Additions	4	1	77	–	32	114
Disposals	-1	–	-9	–	–	-10
Reclassifications	0	–	4	–	-3	1
Currency translation	0	–	2	0	–	2
As of 31 December 2024	33	9	421	768	35	1,266
Additions	3	0	100	–	34	137
Disposals	-1	–	–	–	-0	-1
Reclassifications	1	–	–	–	-1	0
Currency translation	0	–	-1	0	–	-1
As of 31 December 2025	36	9	520	768	68	1,401
Accumulated amortisation						
As of 1 January 2024	-17	-1	-71	-422	–	-510
Additions	-4	-1	-41	-45	–	-91
Disposals	1	–	9	–	–	10
Impairment	–	–	-7	0	–	-7
Currency translation	-0	–	-1	-0	–	-1
As of 31 December 2024	-20	-2	-110	-467	–	-599
Additions	-5	-2	-48	-44	–	-98
Disposals	0	–	0	–	–	1
Impairment	–	–	-3	–	–	-3
Currency translation	-0	–	0	-0	–	0
As of 31 December 2025	-24	-4	-160	-510	–	-699
Carrying amount						
As of 31 December 2024	13	7	311	301	35	667
As of 31 December 2025	12	5	360	258	68	703

The category “customer relationship, technology, order backlog, brand” includes the HENSOLDT brand with an indefinite useful life. The carrying amount of the HENSOLDT brand amounted to €55 million as at 31 December 2025 (previous year: €55 million). This brand is tested annually for impairment together with goodwill (refer to [Note 17](#)).

18.1 Development costs

In 2025, the Group capitalised development costs of €100 million (previous year: €77 million) as internally generated intangible assets, primarily naval and ground radar programmes, self protection as well as Identification Friend or Foe solutions in the Sensors segment and in the areas of land, air and maritime programmes in the Optronics segment.

In fiscal year 2025, four (previous year: seven) development projects worth €3 million (previous year: €7 million) were fully impaired. Of this, €3 million (previous year: €6 million) was attributable to the Sensors segment. No impairments were required in fiscal year 2025 (previous year: 1 million) for the Optronics segment. The impairment loss is recognised in the cost of sales.

19 Property, plant and equipment

Property, plant and equipment are comprised as follows:

in € million	Land, fixtures and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Construction in progress	Total
Acquisition cost					
As of 1 January 2024	19	149	77	38	282
Acquisition through business combinations	–	0	8	1	9
Additions	7	9	13	54	83
Disposals	0	-1	-2	-1	-5
Reclassifications	2	9	2	-14	-1
Currency translation	0	1	0	0	1
As of 31 December 2024	28	166	98	79	370
Additions	1	12	17	40	70
Disposals	–	-3	-2	-0	-4
Reclassifications	0	23	1	-25	-0
Currency translation	-0	0	-0	-0	-0
As of 31 December 2025	30	199	114	93	436
Accumulated depreciation					
As of 1 January 2024	-4	-93	-45	–	-142
Additions	-1	-14	-13	–	-28
Disposals	0	1	2	–	3
Currency translation	-0	-0	-0	–	-1
As of 31 December 2024	-5	-107	-56	–	-168
Additions	-2	-16	-13	–	-30
Disposals	–	2	1	–	4
Currency translation	0	-0	0	–	0
As of 31 December 2025	-7	-120	-67	–	-194
Carrying amount					
As of 31 December 2024	23	59	42	79	202
As of 31 December 2025	23	78	47	93	242

In fiscal years 2025 and 2024, no impairment losses were recognised.

20 Other investments and non-current other financial investments

	31 Dec. 2025	31 Dec. 2024
in € million		
Other investments	42	24
Non-current other financial investments	–	0
Other investments and non-current other financial investments	42	24
Non-current other financial investments, current portion	–	0
Total	42	25

Other investments increased by €17 million to €42 million in fiscal year 2025, mainly due to the acquisition of shares in Quantum Systems GmbH and an increase in the investment in 21strategies GmbH. In contrast, impairment losses amounting to €9 million were recognised on the carrying amount of investments in a non-consolidated joint venture and a non-consolidated affiliated company.

Further, the investments in Deutsche Elektronik Gesellschaft für Algerien mbH of €9 million (previous year: €9 million) and in KBN Konstruktionsbüro GmbH of €5 million (previous year: €5 million) as well as other subsidiaries not consolidated for reasons of materiality are included.

Furthermore, ESG InterOp Solutions GmbH was merged with ESG Elektroniksystem- und Logistik-GmbH during the reporting year.

21 Inventories

	Gross amount	Impairment	Net carrying amount 31 Dec. 2025	Net carrying amount 31 Dec. 2024
in € million				
Raw materials and supplies	561	-74	486	392
Work in progress	396	-31	364	304
Finished goods and parts for resale	45	-18	28	23
Total	1,002	-123	878	719

Expenses associated with impairments recognised in the consolidated income statement in fiscal year 2025 amount to €22 million (previous year: €24 million). A reversal of impairment losses was recognised as a reduction of material cost in the fiscal year in the amount of €8 million (previous year: €1 million).

22 Trade receivables

	31 Dec. 2025	31 Dec. 2024
in € million		
Receivables from sales of goods and services	442	436
Impairment	-6	-10
Total	436	426

Trade receivables totalling €51 million (previous year: €58 million) were transferred to a factor on the reporting date and were derecognised (so-called “non-recourse factoring”). Other trade receivables of €9 million (previous year: €14 million)

do not qualify for derecognition since the credit risk is not transferred (so-called “recourse factoring”). For the cash received from the factoring party, a corresponding other financial liability is recognised.

The impairment of doubtful receivables in relation to trade receivables developed as follows:

in € million	2025	2024
As of 1 January	10	11
Addition due to business combinations	–	2
Addition	3	4
Utilisation	-5	-5
Reversal	-3	-1
Currency translation	-0	0
As of 31 December	6	10

For information on the credit and market risks as well as impairment losses, refer to [Note 39](#).

Contract assets and liabilities are presented in [Note 10.2](#).

23 Trade payables

As of 31 December 2025, all trade payables are due within one year, as in the previous year.

24 Provisions

The measurement of provisions, e.g. for contract losses and warranties, is based on best estimates available on the reporting date.

	31 Dec. 2025	31 Dec. 2024
in € million	2025	2024
Provisions for post-employment benefits (note 35)	230	357
Other provisions	311	318
Total	541	675
<i>thereof non-current</i>	287	418
<i>thereof current</i>	253	257

Other provisions developed as follows:

in € million	Warranties	Personnel -related provisions	Contract losses	Outstan- ding costs	Other risks and costs	Total
As of 1 January 2025	87	82	14	39	97	318
Utilisation	-14	-50	-7	-7	-24	-101
Reversal	-16	-7	-6	-1	-23	-53
Additions	23	65	1	19	37	144
Exchange rate differences	0	0	-0	0	-0	0
Unwinding of discount	1	0	-	-	0	1
Reclassifications	-	2	-	-	-0	1
As of 31 December 2025	80	91	2	50	87	311
<i>thereof current</i>	49	49	2	50	68	218
<i>thereof non-current</i>	32	42	0	-	19	93

Provisions for warranties cover contractual or factual obligations to repair or reimburse for damages or functional defects in products sold within a certain period at the Group's own expense.

Provisions related to staff comprise mainly bonus provisions for the management and employees, provisions for anniversary allowances and provisions for part-time retirement obligations (see [Note 34](#)).

Provisions for outstanding costs relate mainly to accruals for supplies not yet invoiced and outstanding costs for fully completed orders.

The provisions for other risks and costs relate, among other things, to contract-related provisions for subsequent work on performance obligations already fulfilled.

For the other non-current provisions of the Group, it is generally assumed that they will lead to a cash outflow in the next two to five years.

25 Claims and legal disputes

In the course of its business activities, HENSOLDT may be or become subject to claims, such as claims for damages, repayment or rescission ('claims'). In addition, there may be provisions for claims in connection with legal disputes, regulatory proceedings and official investigations ('legal disputes') that are pending or may be initiated or asserted against the Group in the future. These proceedings often involve complex legal issues, and therefore involve a considerable degree of forecasting uncertainty. The Group believes that it has recognised adequate provisions to cover current or potential litigation risks. It is quite possible that the final ruling in some proceedings could lead to expenses beyond those accounted for in the recognised provisions. The term "quite possible" used here means that the future occurrence of an event is more than unlikely, however less than likely.

HENSOLDT Group is involved, from time to time, in different court and arbitration proceedings in the course of its normal business operation.

HENSOLDT Group is not aware of any significant official, judicial or arbitration proceedings (including pending and threatened proceedings) during the previous twelve months or longer that could have a material impact or have had a material impact the Group's assets, liabilities, financial position and financial performance. As of the reporting date, provisions for legal disputes and damage claims of a negligible amount were recognised under other provisions for other risks and costs.

26 Contingent assets and contingent liabilities

Due to the type of its transactions, HENSOLDT Group is exposed to the risk of contingent liabilities. The following table shows the undiscounted maximum amounts for which HENSOLDT Group is liable as of the reporting date due to major types of guarantees:

	31 Dec.	31 Dec.
in € million	2025	2024
Loan guarantees / sureties	15	15
Advance payments, warranty and contractual guarantees / sureties	291	231
Other guarantees and sureties	24	14
Group guarantees / sureties	919	798
Total	1,250	1,058

The item 'Loan guarantees/sureties' shows to what extent HENSOLDT Group is liable for financial obligations to third parties. For loan guarantees/sureties, the Group generally guarantees that if the principal debtor does not pay the debt or is not able to pay the debt then the Group will fulfil such financial obligations. The maximum liability coverage corresponds to the utilisation of the outstanding liability of the credit or – in the event of credit facilities that can be utilised in variable amounts – the maximum amount that can be claimed. The table includes the maximum liability coverage. The term of these loan guarantees/sureties is usually up to one year. In some cases, there are unlimited loan guarantees/sureties.

In addition, HENSOLDT Group guarantees the fulfilment of its own contractual obligations, mainly through advance payments and performance guarantees/sureties. If HENSOLDT Group does not meet its contractual obligations, HENSOLDT Group or one of its subsidiaries can be held liable up to an agreed maximum amount. Generally, the terms of these contingent liabilities run up to ten years. In some cases, they run up to 20 years or there are indefinite contractual guarantees/securities.

The other guarantees and sureties relate to bid guarantees, customs guarantees and rental guarantees.

The "Group guarantees / sureties" item mainly contains collateral for contractually agreed advance payment, contract performance and warranty claims.

27 Other financial assets and other financial liabilities

27.1 Other financial assets

	31 Dec.	31 Dec.
in € million	2025	2024
Positive fair values of derivative financial instruments ¹	5	0
Net investment in the lease	3	4
Retention from factoring bank	2	1
Loans to non-consolidated companies	1	–
Miscellaneous non-current other financial assets	1	1
Total non-current other financial assets	11	7
Positive fair values of derivative financial instruments ¹	2	5
Receivables from employees	1	1
Loans to non-consolidated companies	0	–
Net investment in the lease	1	1
Receivables from overdue advance payments	16	–
Miscellaneous current other financial assets	1	1
Total current other financial assets	22	8
Total	33	15

¹ See [Note 39.2](#)

27.2 Other financial liabilities

	31 Dec.	31 Dec.
in € million	2025	2024
Liabilities for derivative financial instruments ¹	9	12
Miscellaneous non-current other financial liabilities	0	1
Total non-current other financial liabilities	9	13
Liabilities from payment service agreements	35	70
Liabilities for derivative financial instruments ¹	2	4
Liabilities from factoring contracts ²	1	1
Miscellaneous current other financial liabilities	0	–
Total current other financial liabilities	38	74
Total	47	87

¹ See [Note 39.2](#)

² Liabilities from non-recourse factoring contracts resulted from the fact that the collection of payments by the factoring party was not yet due as of the balance sheet date.

The Group entered into a payment service agreement with a bank. The purpose of this agreement is cash optimisation by extending the payment terms of trade payables by up to 30 days and to improve the payment process by aggregating payments.

Trade payables under this agreement are extinguished as a matter of law vis-à-vis the supplier once the payment order to the bank is executed. This creates a new contractual obligation on the part of HENSOLDT towards the bank. For this reason, the trade payables are derecognised and a current other financial liability is recognised.

Of the liabilities under payment service agreements that remained on 31 December 2025, the bank paid €35 million to suppliers in fiscal year 2025.

28 Other assets and other liabilities

28.1 Other assets

	31 Dec.	31 Dec.
in € million	2025	2024
Receivables from government grants	16	14
Employee benefits	13	5
Miscellaneous non-current other assets	0	0
Total non-current other assets	29	20
Advance payments	91	83
Tax receivables (without income tax)	25	27
Receivables from government grants	10	–
Receivables from contractual penalties ¹	5	–
Receivables from premature contract termination	10	–
Miscellaneous current other assets	5	5
Total current other assets	145	115
Total	174	135

¹ Reported in contract assets in fiscal year 2024.

28.2 Other liabilities

	31 Dec.	31 Dec.
in € million	2025	2024
Liabilities to employees	17	15
Miscellaneous other non-current liabilities	0	0
Total non-current other liabilities	17	15
Tax liabilities (without income tax)	106	64
Liabilities to employees	61	60
Liabilities relating to social security	7	6
Refund liabilities from contractual penalties ¹	16	–
Refund liabilities from price audit	7	8
Liabilities arising from premature contract termination	17	–
Miscellaneous other current liabilities	5	13
Total current other liabilities	219	151
Total	236	166

¹ Reported in contract liabilities in fiscal year 2024.

29 Leases

29.1 Amounts recognised in the consolidated statement of financial position

The following table discloses the carrying amounts of the lease contracts accounted for as right-of-use assets:

	31 Dec.	31 Dec.
in € million	2025	2024
Land and buildings	408	244
Technical equipment and machinery	0	0
Other equipment, operating and office equipment	5	5
Total	413	249

Additions to right-of-use assets in fiscal year 2025 were €206 million (previous year: €95 million). The increase is primarily due to the initial recognition of usage rights for property leases for the new location in Oberkochen.

The following table discloses the carrying amounts of lease liabilities:

	31 Dec.	31 Dec.
in € million	2025	2024
Current	35	25
Non-current	416	256
Total	451	281

For information on the maturity analysis of the lease liabilities refer to [Note 39.1](#).

HENSOLDT Group has subleased a leased building, which was reported as a net investment in the lease within other financial assets. The following table presents a maturity analysis of the lease receivables and shows the undiscounted lease payments due after the balance sheet date.

	31 Dec.	31 Dec.
in € million	2025	2024
< 1 year	2	2
1 to 5 years	3	5
> 5 years	–	–
Total amount of undiscounted lease receivables	5	6
Unrealized financial income	-1	-1
Net investment in the lease	4	5

29.2 Amounts recognised in the consolidated income statement

Depreciation charges for right-of-use assets:

in € million	Fiscal year	
	2025	2024
Land and buildings	37	29
Technical equipment and machinery	0	1
Other equipment, operating and office equipment	3	3
Total depreciation charge	41	33

Other amounts recognised in the consolidated income statement:

in € million	Fiscal year	
	2025	2024
Interest on lease liabilities	22	14
Income from sub-leasing right-of-use assets (-)	-2	-0
Expenses related to short-term leases	1	1
Expenses for leases of an asset of low value that are not short-term leases	7	4
Total other amounts recognised in the consolidated income statement	28	18

The total cash outflows for lease payments in fiscal year 2025 amounted to €56 million (previous year: €42 million).

HENSOLDT Group has several lease contracts that include extension options and termination options. The exercise of such options is decided by the management to provide flexibility in managing the leased asset portfolio and align with HENSOLDT Group's business needs. The management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see [Note 3.7](#)).

30 Deferred income

The grants related to income are granted to the Group for research and development projects. The deferred income has developed as follows:

in € million	31 Dec.	31 Dec.
	2025	2024
As of 1 January	27	-
Received during the year	16	30
Recognised as other operating income	-9	-3
As of 31 December	34	27
<i>thereof non-current</i>	34	27

V Expenses and benefits for employees

31 Number of employees

	Fiscal year	
	2025 ²	2024
Production, research and development, service	6,843	5,851
Sales and distribution	231	228
Administration and general services	1,217	1,521
Apprentices, trainees, etc.	902	809
Total¹	9,193	8,409

¹ Average figures on a per capita basis

² Adjusted allocation compared to the previous year period

32 Personnel expenses

in € million	Fiscal year	
	2025	2024
Wages, salaries	817	700
Social security contributions	131	113
Net periodic pension expenses	17	18
Total	966	830

Personnel expenses are reported under the respective cost centres in the items cost of sales, sales and administration expenses, and research and development expenses. They are allocated according to the functional responsibilities and areas of activity of the employees, ensuring that personnel costs are appropriately allocated to the respective operational areas.

33 Share-based payment

33.1 Long-Term Incentive Plan (LTIP)

In 2021, a virtual share programme for long-term performance-based remuneration ("Long-Term Incentive Plan", "LTIP") was established for Management Board members and selected executives. The objective of the LTIP is for beneficiaries to participate in the performance of the HENSOLDT Group and to promote the commitment, willingness to perform and loyalty of employees.

The group of beneficiaries is granted a number of virtual shares depending on the employee's basic remuneration. These virtual shares allow employees to receive the counter-value of the final number of virtual shares as a cash settlement at the end of the four-year assessment period.

The LTI bonus components and the target values are determined at the beginning of the four-year assessment period of a tranche. The value determined based on the weighting and the target achievement of the individual components is multiplied by the number of virtual shares initially granted in order to determine the payout amount after the end of the assessment period. The LTI bonus to be paid out as a cash settlement is determined by the number of virtual shares calculated on the basis of the target achievement multiplied with the average closing price of the shares of HENSOLDT AG. The amount to be paid out as an LTI bonus is capped at a limit of 200% of the original target amount.

The grant of the virtual shares under the LTIP was classified and measured as a cash-settled, share-based payment transaction in accordance with IFRS 2.30. The fair value of the virtual shares is remeasured at each balance sheet date by applying a Monte Carlo simulation and taking into account the conditions under which such virtual shares were granted. Further information on the objectives underlying the remuneration of the Management Board can be found in the Remuneration Report, which is available on the HENSOLDT website at <https://investors.hensoldt.net> in the "Corporate Governance" section.

The virtual shares of the LTIP underwent the following changes in the current fiscal year:

Number of virtual shares	Tranche 2022-2025	Tranche 2023-2026	Tranche 2024-2027	Tranche 2025-2028	Total
Virtual shares outstanding at the beginning of the reporting period 2025 (1 January 2025)	253,555	160,062	181,477	–	595,094
Granted	–	–	–	100,458	100,458
Exercised	-239,323	–	–	–	-239,323
Expired	-4,014	-3,150	-3,929	–	-11,093
Settled	-10,218	-11,065	-4,416	–	-25,699
Virtual shares outstanding at the end of the reporting period (31 December 2025)	–	145,847	173,132	100,458	419,437

The following parameters were used as basis of the fair value measurement on 31 December 2025:

	Tranche 2023-2026	Tranche 2024-2027	Tranche 2025-2028
Remaining term (in years)	1	2	3
Volatility	35.1%	31.8%	31.1%
Risk-free interest rate	2.0%	2.2%	2.2%
Average HENSOLDT share price at grant date (in €)	28.42	30.92	48.37
HENSOLDT share price at valuation date (in €)	73.40	73.40	73.40

The period from the measurement date to the end of the relevant contract was used as the term. The share price was determined via Bloomberg using the closing price of the XETRA trading platform on 31 December 2025. The volatility was determined on the basis of the historic volatility of comparable companies over the same residual term. The expected volatility taken into account is based on the assumption that conclusions can be drawn from historic volatility to determine future trends; however, the actual volatility might deviate from these assumptions.

A debt of €20 million (thereof €12 million non-current) was recognised under other provisions as of 31 December 2025 in the context of the LTIPs (previous year: €18 million). The expense for the period from 1 January to 31 December 2025 is €9 million (previous year: €9 million).

34 Personnel-related provisions

Several German group entities offer models for lifetime working accounts, which represent defined benefit plans due to guaranteed interest on contributions or nominal contributions and are to be classified as post-employment benefits in accordance with IAS 19. Obligations totalling €30 million (previous year: €27 million) are fully offset against the corresponding assets. The regular contributions of employees to their lifetime working accounts lead to corresponding expenses in the fiscal year which are recognised under personnel expenses.

Personnel-related provisions changed as follows:

in € million	Long service awards/bonuses	Partial retirement	Total
As of 1 January 2025	78	3	82
Utilisation	-46	-3	-50
Reversal	-4	-3	-7
Additions	61	4	65
Currency translation	0	-	0
Reclassifications	-	2	2
As of 31 December 2025	89	3	91

35 Post-employment benefits

in € million	31 Dec. 2025	31 Dec. 2024
Provisions for pension obligations	103	213
Provisions for deferred compensation	126	144
Provisions for post-employment benefits	230	357
Net assets from defined benefit pension plans	-5	-
Total	225	357

The net assets from defined benefit pension plans, which result from an excess of plan assets over pension obligations, is reported under non-current other assets under employee benefits (see [Note 28.1](#)).

35.1 Provisions for pension obligations

Provisions for German pension obligations (defined benefit obligations (DBO)) are recognised based on defined benefit plans for retirement, invalidity and survivor's pension benefits. The benefits are based on the employee's length of service and remuneration.

Most domestic employees are under the "P3" pension plan, which, upon starting retirement, allows a choice between immediate payments of their accumulated benefits, payment in instalments or an annuity.

Contractual trust arrangements (CTA) exist to finance domestic pension obligations. The structure of the CTAs is based on mutual trust agreements. Assets transferred to the CTAs are considered plan assets under IAS 19.

In terms of the material accounting policies and material estimates and assessments, e.g. actuarial assumptions, please refer to [Note 2.8](#) and [Note 3.5](#).

The pension obligations are as follows:

in € million	31. Dez. 2025	31. Dez. 2024
Provisions for pension obligations	103	213
Net assets from defined benefit pension plans	-5	-
Total	98	213

Development of the defined benefit obligations and plan assets

in € million	DBO		Plan assets		Total	
	2025	2024	2025	2024	2025	2024
As of 1 January	511	414	298	250	213	164
Addition through business combinations	–	85	–	–	–	85
Expenses for pension benefit entitlements	14	13	–	–	14	13
Interest expenses / income	18	17	11	9	7	8
Payments	-14	-12	–	–	-14	-12
Contributions to plan assets	–	–	25	38	-25	-38
Actuarial gains / losses deriving from:						
Changes in demographic assumptions	-0	0	–	–	-0	0
Changes in financial assumptions	-59	-4	–	–	-59	-4
Experience-based adjustments	2	1	–	–	2	1
Plan assets	–	–	36	2	-36	-2
Other changes in consolidation, transfers	-4	-3	–	–	-4	-3
As of 31 December	468	511	370	298	98	213

The weighted average term of the DBOs for pensions and defined benefit obligations under the pension plan (“P3”) is 15 years.

The breakdown of the defined benefit obligations for pension plans into obligations for active, former and retired members for the most important plans is, as of 31 December, as follows:

in %	2025	2024
Active employees	55.3%	58.6%
Former employees with vested benefits	10.1%	9.7%
Pensioners	34.6%	31.7%
Total	100.0%	100.0%

The employer’s contribution to state and private pension funds, which is mainly made in Germany, is considered as a defined contribution obligation. The contributions made in fiscal year 2025 amount to €49 million (previous year: €39 million).

The expected employer’s contribution to defined benefit plans for fiscal year 2026 amounts to €27 million (previous year: €25 million).

35.2 Provisions for deferred compensation

This amount represents obligations that arise when employees convert a part of their remuneration or bonus into an equivalent entitlement to deferred compensation, which is treated as a defined benefit plan upon termination of employment.

Development of the defined benefit obligations and plan assets

in € million	DBO		Plan assets		Total	
	2025	2024	2025	2024	2025	2024
As of 1 January	160	154	16	14	144	140
Expenses for pension benefit entitlements	–	0	–	–	–	0
Interest expense / income	6	5	1	1	5	5
Payments	-3	-3	0	–	-4	-3
Actuarial gains / losses deriving from:						
Changes in financial assumptions	-18	–	–	–	-18	–
Experience-based adjustments	-4	–	–	–	-4	–
Plan assets	–	–	-1	1	1	-1
Other changes in consolidation, transfers	-4	-1	–	–	-4	-1
Contributions of participants	5	5	–	–	5	5
As of 31 December	142	160	16	16	126	144

The weighted average term of the DBOs for defined benefit obligations under deferred compensation is 14 years.

The breakdown of the defined benefit obligation for pension plans into obligations for active, former and retired members for the most important plans is, as of 31 December, as follows:

in %	2025	2024
Active employees	62.4%	66.3%
Former employees with vested benefits	11.4%	11.2%
Pensioners	26.2%	22.5%
Total	100.0%	100.0%

35.3 Sensitivity analyses

The following table shows how the present value of defined benefit obligations of pension plans and deferred compensation would have been affected by changes in actuarial assumptions used as of the reporting date:

in € million	Change	31 December 2025		31 December 2024	
		Increase	Decrease	Increase	Decrease
Discount rate	by 0.5 percentage points	-40	45	-48	54
Wage increase rate	by 0.25 percentage points	0	-0	0	-0
Pension increase rate	by 0.25 percentage points	9	-8	10	-9
Life expectancy	by 1 year	8	-8	10	-8
Exercising the pension option	by 10 percentage points	9	-9	14	-14

Sensitivities are calculated using the same method (present value of the defined benefit obligation calculated using the projected unit credit method) as used for the calculation of post-employment benefits. The sensitivity analysis is based

on a change of one assumption while maintaining all other assumptions unchanged. This is unlikely to occur in practice. Changes to more than one assumption can correlate, which can have differing effects on the DBOs than the effects described above. If the assumptions change at different levels, the effects on the defined benefit obligations are not necessarily linear.

Asset-liability matching strategy (investment of plan assets)

HENSOLDT Group identified the deterioration of the financing status due to an unfavourable development of the fair value of plan assets and/or the defined benefits obligations due to changing parameters as a risk.

For this reason, HENSOLDT Group treasury department implements a security-oriented investment concept specified by HENSOLDT Strategic Investment Committee, which is focused on the DBOs and the steering and optimisation of the plan assets.

The fair value of the plan assets for pension plans and deferred compensation can be allocated to the following classes:

	Quoted prices		Unquoted prices		Total	
	31 Dec. 2025	2024	31 Dec. 2025	2024	31 Dec. 2025	2024
in € million	2025	2024	2025	2024	2025	2024
Investments in real-estate entities	–	–	346	277	346	277
Pooled investment instruments	39	37	–	–	39	37
Total	39	37	346	277	386	314

Investments in real-estate entities relate to limited partnership interests in HENSOLDT Real Estate GmbH & Co. KG., Taufkirchen, and in HENSOLDT Real Estate Oberkochen GmbH & Co. KG, Taufkirchen, whose properties are rented and used by group companies.

VI Capital structure and financial instruments

36 Equity

36.1 Equity attributable to owners of the parent company

As at 31 December 2025, the parent company is HENSOLDT AG.

As at 31 December 2025, the share capital of HENSOLDT AG amounts to €115.5 million (previous year: €115.5 million) and is divided into 115,500,000 (previous year: 115,500,000) ordinary bearer shares (no-par value shares).

In accordance with the articles of association, the share capital of the Company may be increased by the Management Board until 26 May 2029, with the approval of the Supervisory Board, by issuing new ordinary bearer shares against cash and/or non-cash contributions on one or more occasions by up to a total of €23.1 million (Authorised Capital 2025).

In addition, by resolution of the Annual General Meeting on 27 May 2025, the share capital of the Company has been conditionally increased by up to €23.1 million by issuing up to 23,100,000 new no-par value bearer shares against contributions in cash or in kind (Conditional Capital 2025). The conditional capital increase shall only be implemented if convertible or option bonds, profit participation rights or profit-sharing bonds (or combinations of these instruments) with conversion or option rights or obligations are issued by HENSOLDT AG or group companies of HENSOLDT AG (within the meaning of section 18 of the German Stock Corporation Act (AktG)) before 26 May 2029, on the authorisation granted by the Annual General Meeting on 27 May 2025. This applies if conversion or option rights are exercised, if holders of bonds are obliged to convert or exercise options and fulfil this obligation, or if the company exercises its right to grant the respective bondholders whole or partial shares in the company instead of paying the amount due when the bonds mature. This only applies if no other forms of fulfilment are applied. The Company had not used the Conditional Capital 2025 as of 31 December 2025. Accordingly, the Conditional Capital 2025 amounts to €23.1 million on 31 December 2025.

Other reserves include cumulative other comprehensive income.

Retained earnings contain earnings of the companies included in the Consolidated Financial Statements including earnings in the fiscal year, provided these have not been distributed.

36.2 Non-controlling interests

The non-controlling interests reflect the share of other shareholders in the net asset value of consolidated subsidiaries.

in € million	HEN- SOLDT South Africa (Pty) Ltd.	GEW Tech- nologies (Pty) Ltd.	HEN- SOLDT Mecha- tronic Solutions S.A.S.	Total	Intra- group elimina- tions/ adjust- ments	31 Dec. 2025
Percentage of non-controlling interests	30.0%	6.7%	15.0%			
Non-current assets	52	11	0	62	–	62
Current assets	59	61	3	123	–	123
Non-current liabilities	-36	-31	-1	-68	–	-68
Current liabilities	-40	-30	-1	-70	–	-70
Net assets	35	11	1	47	–	47
Net assets of non-controlling interests	11	1	0	11	0	11
Revenue	36	46	2	84	–	84
Profit / loss	-6	-6	-1	-13	–	-13
Other comprehensive income / loss	0	0	-0	0	–	0
Total comprehensive income / loss	-6	-6	-1	-13	–	-13
Profit attributable to non-controlling interests	-2	-0	-0	-2	–	-2
Other comprehensive income / loss attributable to non-controlling interests	0	0	-0	0	–	0
Cash flows from operating activities	3	5	-10	-2	–	-2
Cash flows from investing activities	-9	-3	-1	-13	–	-13
Cash flows from financing activities	4	-0	13	16	–	16
Effects of movements in exchange rates on cash and cash equivalents	-0	0	–	0	–	0
Net increase (decrease) in cash and cash equivalents	-2	2	2	2	–	2

In the 2025 fiscal year, the shareholding in HENSOLDT Cyber GmbH was increased from 90.6% to 100% of the shares.

in € million	HEN-SOLDT South Africa (Pty) Ltd.	GEW Technologies (Pty) Ltd.	HEN-SOLDT Mechatronic Solutions S.A.S.	HEN-SOLDT Cyber GmbH	Total	Intra-group eliminations/adjustments	31 Dec. 2024
Percentage of non-controlling interests	30.0%	6.7%	15.0%	9.4%			
Non-current assets	45	9	0	1	55	–	55
Current assets	58	61	3	3	125	–	125
Non-current liabilities	-36	-32	-0	-0	-68	–	-68
Current liabilities	-26	-21	-0	-1	-49	–	-49
Net assets	41	17	2	3	63	–	63
Net assets of non-controlling interests	12	1	0	0	14	0	14
Revenue	40	40	3	4	86	–	86
Profit / loss	-6	-6	0	1	-11	–	-11
Other comprehensive income / loss	2	1	-0	–	2	–	2
Total comprehensive income / loss	-4	-6	0	1	-8	–	-8
Profit attributable to non-controlling interests	-2	-0	0	0	-2	–	-2
Other comprehensive income / loss attributable to non-controlling interests	0	0	-0	–	1	–	1
Cash flows from operating activities	-1	-8	-1	2	-8	–	-8
Cash flows from investing activities	-14	-4	-0	-0	-18	–	-18
Cash flows from financing activities	10	14	0	-0	23	–	23
<i>thereof dividends of non-controlling interests</i>	–	–	0	–	0	–	0
Effects of movements in exchange rates on cash and cash equivalents	0	0	–	–	0	–	0
Net increase (decrease) in cash and cash equivalents	-5	2	-1	2	-2	–	-2

37 Capital management

The capital structure of the HENSOLDT Group is made up of equity capital attributable to the shareholders of the parent company and of debt capital. A capital structure which optimises capital costs of equity and debt is targeted. The Group is not subject to any statutory capital requirements.

The previous term loan and term facility totaling €1,070 million and the revolving credit line of €370 million were replaced in April 2025 by a new syndicated loan agreement ("Facilities Agreement") comprising various credit facilities through net settlement. The newly negotiated syndicated loan agreement includes a term loan with a volume of €850 million. In addition, a new revolving credit facility in the amount of €400 million was set up.

In July 2025, promissory note loans totaling €300 million were issued. This included €65 million with a term of three years at partly fixed and partly variable interest rates, a further €150 million with a term of five years at partly fixed and partly variable interest rates, and €85 million with a term of seven years at a fixed interest rate.

The availability and terms of the long-term syndicated loan agreement concluded in April 2025 depend on compliance with financial covenants, which have undergone only minor adjustments compared with the previous financing. The financial covenant relates to the ratio of net debt to adjusted earnings before interest, taxes, depreciation, and amortization ("consolidated EBITDA") as defined in the syndicated loan agreement. The terms of the financing continued to be complied with in fiscal year 2025. In the event of a breach of the terms, the financing partners are entitled to terminate the relevant syndicated loan. At present, there are no indications that the covenant cannot be fully complied with in the foreseeable future. (see [Note 39](#)).

In order to hedge against changes in exchange rates, the Group concludes derivative hedging contracts for loans in foreign currency.

As of the reporting date, the Group has entered into interest rate swap transactions in the amount of €620 million (nominal value) to hedge the variable-rate term loan.

38 Net debt

Net debt comprises all non-current and current financing liabilities as well as other financial liabilities reported in the balance sheet less cash and cash equivalents and is shown as follows:

	31 Dec. 2025	31 Dec. 2024
in € million	933	733
Cash and cash equivalents	933	733
Non-current financing liabilities	-1,163	-1,072
Non-current other financial liabilities	-9	-13
Current financing liabilities	-20	-22
Current other financial liabilities	-38	-74
Net debt	-297	-447

38.1 Cash and cash equivalents

Cash and cash equivalents consist of the following items:

	31 Dec. 2025	31 Dec. 2024
in € million	933	733
Cash and cash equivalents	933	733
Total	933	733

As at 31 December 2025, there were short-term deposits in the amount of €280 million (previous year: €210 million). Of this amount, €100 million were invested at an interest rate of 2.12%, €150 million at an interest rate of 2.07%, €30 million at an interest rate of 2.16%.

38.2 Financing liabilities

Financing liabilities consist mainly of current and non-current loans. In addition, overdraft facilities are available which may be used.

The capital amount utilised, the conditions of the loans and overdraft facilities as of 31 December 2025 are as follows:

Loans / Overdraft Facility (contracting party)	Capital amount in € million	Issue date	Coupon or interest rate		Effective interest rate	Due date
Loan / Term Loan (HENSOLDT AG)	850.0	2/4/2025	3M Euribor + 1.50%	variable	5.66%	2/4/2030
Revolving Credit Facility (HENSOLDT AG)	–	2/4/2025	3M Euribor + 1.20%	variable	n/a	2/4/2030
Promissory Note - 3Y fixed (HENSOLDT AG)	41.0	10/7/2025	3.30%	fixed	–%	18/7/2028
Promissory Note - 5Y fixed (HENSOLDT AG)	141.0	10/7/2025	3.69%	fixed	–%	18/7/2030
Promissory Note - 7Y fixed (HENSOLDT AG)	85.0	10/7/2025	4.04%	fixed	–%	18/7/2032
Promissory Note - 3Y variable (HENSOLDT AG)	24.0	10/7/2025	3.27%	variable	–%	18/7/2028
Promissory Note - 5Y variable (HENSOLDT AG)	9.0	10/7/2025	3.47%	variable	–%	18/7/2030
Loan (HENSOLDT Nexeya France S.A.S.)	0.3	30/4/2021	0.71%	fixed	2.09%	30/4/2026
Loan (HENSOLDT Nexeya France S.A.S.)	0.9	30/4/2021	0.75%	fixed	0.91%	23/4/2026
Overdraft Facility (HENSOLDT South Africa (Pty) Ltd.)	10.1	31/10/2018	SARB Prime Rate	variable	11.75%	31/3/2026
Overdraft Facility (HENSOLDT AG)	–	29/10/2019	€STR +0.85%	variable	n/a	n/a
Overdraft Facility (HENSOLDT Avionics GmbH)	0.0	3/8/2015	7.80%	fixed	7.80%	n/a
Overdraft Facility (HENSOLDT Analytics GmbH)	–	7/11/2018	3M Euribor + 3.8%	variable	n/a	n/a

The capital amount utilised, the conditions of the loans and overdraft facilities as of 31 December 2024 are as follows:

Loans / Overdraft Facility (contracting party)	Capital amount in € million	Issue date	Coupon or interest rate		Effective interest rate	Due date
Loan / Term Loan (HENSOLDT AG)	620.0	30/9/2020	3M Euribor + 1.75%	variable	5.66%	14/4/2027
Loan / Term Facility (HENSOLDT AG)	450.0	6/12/2023	3M Euribor + 1.75%	variable	5.45%	14/4/2027
Revolving Credit Facility (HENSOLDT AG)	–	30/9/2020	3M Euribor + 1.25%	variable	n/a	14/4/2027
Loan (HENSOLDT Nexeya France S.A.S.)	1.0	30/4/2021	0.71%	fixed	2.09%	30/4/2026
Loan (HENSOLDT Nexeya France S.A.S.)	2.8	30/4/2021	0.75%	fixed	0.91%	23/4/2026
Loan (HENSOLDT Nexeya France S.A.S.)	0.1	8/12/2017	1.31%	fixed	1.64%	30/6/2025
Overdraft Facility (HENSOLDT South Africa (Pty) Ltd.)	4.6	31/10/2018	SARB Prime Rate	variable	11.75%	31/3/2025
Overdraft Facility (HENSOLDT AG)	–	29/10/2019	€STR +1.25%	variable	n/a	n/a
Overdraft Facility (HENSOLDT Avionics GmbH)	0.0	3/8/2015	7.80%	fixed	7.80%	n/a
Overdraft Facility (HENSOLDT Analytics GmbH)	–	7/11/2018	3M Euribor + 3.8%	variable	n/a	n/a

HENSOLDT restructured its liabilities to banks in April 2025.

The previous term loan of €620 million, the term facility of €450 million concluded in connection with the acquisition of ESG GmbH in December 2023, and the €370 million revolving credit facility not utilised as at 31 December 2024 were replaced by a new syndicated loan agreement ('Senior Facilities Agreement') comprising various credit facilities. This comprises a term loan with a volume of €850 million and a new revolving credit facility of €400 million, which had not been utilised as of 31 December 2025. In addition, there is a guarantee facility of €400 million with the banking syndicate for HENSOLDT AG and its subsidiaries HENSOLDT Sensors GmbH, HENSOLDT Optronics GmbH and ESG Elektroniksystem- und Logistik-GmbH.

For drawdowns in USD and GBP, the syndicated loan agreement contains corresponding risk-free rate provisions.

The transaction costs directly attributable to the loan are assigned to the host contract as part of the effective interest rate calculation. The transaction costs for the revolving credit line were capitalised as other assets and will be amortised over the term of the agreement.

In July 2025, promissory note loans totalling €300 million were issued. This included €65 million with a term of three years and fixed and variable interest rates, a further €150 million with a term of five years and fixed and variable interest rates, and €85 million with a term of seven years and a fixed interest rate.

The transaction costs directly attributable to the promissory note loan are allocated directly to the host contract as part of the effective interest rate calculation.

In addition, the French subsidiary HENSOLDT Nexeya France S.A.S. has raised two loans with credit institutions with a total value of €10.3 million, which have been being repaid on schedule since 2022. A further loan in the amount of €1 million in place since 2017 was repaid in full on schedule on 30 June 2025. All the loans are unsecured.

For the South African subsidiary HENSOLDT South Africa (Pty) Ltd., there is an overdraft facility of ZAR 240 million. As at 31 December 2025, ZAR 197 million of this facility had been utilised.

HENSOLDT AG has an overdraft facility of €15 million, none of which had been used as at the reporting date.

HENSOLDT Avionics GmbH has an overdraft facility of €0.5 million. This overdraft facility can be used both for overdrafts and for issuing guarantees. Utilisation of €0.04 million as of the reporting date relates to the issue of a rental guarantee.

HENSOLDT Analytics GmbH has an overdraft facility of €0.2 million that had not been utilised as of the reporting date.

Within financing liabilities, the total amounts of financial liabilities to banks amount to:

in € million	< 1 year	1 to 5 years	> 5 years	Total
Liabilities to banks as of 31 December 2025	20	1,078	85	1,183
Liabilities to banks as of 31 December 2024	22	1,072	–	1,094

Financial liabilities to banks include liabilities from recourse factoring amounting to €9 million (previous year: €14 million). As of the reporting date, there were other current financial liabilities from cash receipts on assigned receivables that shall be forwarded to the factor on the due date amounting to €1 million (previous year: €1 million).

38.3 The reconciliation of changes in financing liabilities to cash flows from financing activities

The following table shows the cash flows from financing activities, reconciling the opening balances and closing balances for the liabilities and equity components attributable to these financing activities including the accompanying financial assets and liabilities from hedging transactions.

in € million	As of 1 Jan. 2025	Net cash changes	Non-cash changes		31 Dec. 2025
			Changes in fair value	Other changes	
Non-current borrowing					
Proceeds Loan (promissory note)	–	299	–	10	309
Proceeds Loan (Term Loan)	–	846	–	8	854
Repayment Loan (Term Loan/Term Facility)	1,071	-1,070	–	-1	–
Bank loans (net)	1	-1	–	–	–
Current borrowing					
Current borrowing	22	–	–	-1	20
Other financial liabilities	70	-1	–	-33	36
Change in financing liabilities due to financing activities	1,164	72	–	-17	1,219
Change in lease liabilities	281	-35		205	451
Share capital	116	–	–	–	116
Capital reserve	474	–	–	-35	439
Other reserves	37	–	–	91	128
Retained earnings	245	-58	–	121	309
Non-controlling interests	14	–	–	-3	11
Change in equity due to financing activities	886	-58	–	174	1,002
Cash flows from financing activities		-20			
Change in assets (-) and liabilities (+) to hedge non-current borrowing	6	3	-3	3	9

The existing term loan and term facility amounting to €1,070 million were replaced in 2025 by a new term loan of €850 million and a promissory note loan of €300 million via through net settlement. The amounts in the table above include the associated transaction costs for the new financing.

Non-cash changes						
in € million	1 Jan. 2024	Net cash changes	Change in consol. group	Changes in fair value	Other changes	31 Dec. 2024
Non-current borrowing						
Loan (Term Loan)	617	–	–	–	6	623
Loan (Term Facility)	–	448	–	–	0	448
Bank loans (net)	4	–	–	–	-3	1
Current borrowing						
Current borrowing	23	-5	–	–	3	22
Other financial liabilities	2	-2	–	–	71	70
Change in financing liabilities due to financing activities	646	441	–	–	77	1,164
Change in lease liabilities	211	-27	70	–	28	281
Share capital	116	–	–	–	–	116
Capital reserve	613	–	–	–	-139	474
Other reserves	32	–	–	–	5	37
Retained earnings	62	-46	-15	–	245	245
Non-controlling interests	16	–	–	–	-1	14
Change in equity due to financing activities	838	-46	-15	–	110	886
Cash flows from financing activities		367				
Change in assets (-) and liabilities (+) to hedge non-current borrowing	9	-6	–	2	–	6

39 Information on financial instruments

39.1 Financial risk management

The Group is exposed to a range of financial risks on account of its activity: (i) market risks, in particular foreign exchange risk and interest rate risk, (ii) liquidity risk and (iii) credit risk.

Overall, the Group's financial risk management system concentrates on minimising unforeseeable market risks and their potential negative impacts on the Group's operating and financial performance.

The Group's financial risk management is carried out in compliance with the guidelines approved by the Chief Financial Officer. Further information on risks relating to financial instruments can be found in the risk report included in the Combined Management Report, which is prepared alongside the IFRS Consolidated Financial Statements.

The Group uses financial derivatives exclusively to mitigate risks ("hedging").

Market risk

Foreign exchange risk

The HENSOLDT Group's foreign exchange risks result from the fact that the Group has operations in various countries worldwide that do not use the euro as their currency.

For orders received that are invoiced in foreign currency, the Group enters into foreign currency forward and foreign currency swap transactions in order to exclude or minimise foreign exchange risks. The necessary measures and rules related to the hedging of orders not invoiced in euros are set out in the Group-wide treasury policy.

The Group uses mainly foreign currency forward transactions as hedging instruments.

In the fiscal year, a net income on foreign currency translation of €13 million (previous year: net loss of €2 million) was recognised in the consolidated income statement. Income of €1 million (previous year: €5 million) was partially offset by expenses of €15 million (previous year: €3 million).

Sensitivity of the foreign exchange risk

The sensitivity analysis approximately quantifies the risk that can occur based on set assumptions if certain parameters are changed to a defined extent. Currency risks pertain in particular to the US dollar (USD), South African rand (ZAR), pound sterling (GBP) and Australian dollar (AUD).

The following disclosures describe the Group's view of how sensitive an increase or decrease in the USD, ZAR, GBP and AUD is to changes in the euro. The change is the value used in the internal reporting of exchange rate risk and represents the Group's assessment regarding a possible change in exchange rates. Currency risks within the meaning of IFRS 7 result from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Translation differences from the translation of financial statements of foreign group entities into the Group's currency are not considered. The sensitivity analysis includes HENSOLDT Group's main financial instruments outstanding on the reporting date.

If the euro had appreciated/depreciated by 20.0% against the USD, ZAR, GBP and AUD as of 31 December 2025 or 2024, the group profit/loss would have changed as shown below:

in € million	Changes in the amount of	31 Dec. 2025	31 Dec. 2024
EUR/GBP	+/- 20.0%	-1.8 / 2.7	-6.8 / 10.3
EUR/ZAR	+/- 20.0%	8.5 / -12.8	9.3 / -13.9
EUR/USD	+/- 20.0%	-1.4 / 2.2	-2.3 / 3.5
EUR/AUD	+/- 20.0%	-0.1 / 0.2	-0.1 / 0.1

Foreign currency exposure is hedged using a macro-hedging approach. In this analysis, it was assumed that all other influencing factors remain equal.

Interest rate risk

The Group is exposed to interest rate risk due to its borrowing at fixed and floating rates. Interest rate risks are primarily a result of variable interest rates, which depend on current market interest rates; these have an impact on the "Interest paid" item in the cash flows from operating activities. Cash flow risk is mainly due to the change in market interest rates. An increase in the market interest rate implies the risk of increasing negative cash flow from operating activities, and vice versa.

Interest rate swaps were concluded in fiscal year 2022 in the amount of €620 million (nominal value) for the period from the first quarter of 2023 to the second quarter of 2027. The changes in the fair values of these interest rate derivatives are recognised in the consolidated income statement under the financial result.

Sensitivity of the interest rate risk

A change of +/- 50 base points in interest rates as of the reporting date, all other conditions remaining unchanged, would have decreased/increased equity and the group profit/loss by €-4.9 million or €4.9 million (previous year: €-6.5 million or €6.5 million). This analysis assumed that all other variables, in particular exchange rates, remain constant.

Liquidity risk

The Group's policy is to maintain sufficient cash and cash equivalents at all times in order to be able to meet current and future obligations when due. The Group manages its liquidity by retaining a sufficient amount of liquid assets.

Adverse developments on the capital markets could increase the Group's borrowing costs and limit its financial flexibility. Management monitors the Group's cash reserves as well as the expected cash flows from operating activities.

The contract terms of the Group's financial liabilities, based on undiscounted cash flows and including interest payments – where applicable – are as follows:

in € million	Carrying amount	Contractual cash flows	< 1 year	1 to 5 years	> 5 years
Non-derivative financial liabilities					
To banks	1,183	1,364	62	1,210	92
Other	626	626	626	–	–
Derivative financial liabilities					
Interest rate swaps	9	9	–	9	–
Foreign currency forwards	2	2	2	0	–
Lease liabilities	451	648	58	199	391
As of 31 December 2025	2,272	2,650	749	1,418	483

in € million	Carrying amount	Contractual cash flows	< 1 year	1 to 5 years	> 5 years
Non-derivative financial liabilities					
To banks	1,093	1,216	71	1,145	–
Other	618	618	618	–	–
Derivative financial liabilities					
Interest rate swaps	12	12	–	12	–
Foreign currency forwards	4	4	4	0	–
Lease liabilities	281	379	40	136	202
As of 31 December 2024	2,008	2,228	733	1,293	202

HENSOLDT Group's liquidity risks relate primarily to the compliance with a financial covenant agreed upon with the banks in the context of corporate financing.

As part of the comprehensive refinancing carried out in April 2025, the existing financing agreements (Senior Facility Agreements consisting of the term loan and the term facility totalling €1,070 million and the RCF of €370 million) were completely replaced by a new syndicated loan agreement (see [Note 37](#)). This is subject to compliance with a certain financial covenant, only slightly adjusted compared to the previous financing. In the event of non-compliance with a certain financial covenant, the lenders are entitled to terminate the loans. financial covenants, which have only been slightly adjusted compared to the previous financing. This could result in a going concern risk for HENSOLDT Group if no alternative funding would be available at the time when the liabilities to banks fall due. The agreed target values have been set in such a way that the Group only runs the risk of not complying with them in the event of an extreme deterioration of its financial situation. Furthermore, the Group can obtain the banks' approval at an early stage to exceed or fall below the set values. The financial metrics are monitored on an ongoing basis.

HENSOLDT Group's aim is compliance with the financial covenant at all times and to ensure via monthly simulations of budgets that the financial covenant will be complied with in future quarters.

The risk of non-compliance with the financial covenant is considered to be low.

For short-term liquidity management, group-wide rolling liquidity planning, updated bi-weekly, is used and this constitutes the operative instrument for short-term liquidity management of the HENSOLDT Group. Liquidity is also ensured through a revolving credit facility of €400 million, secured as part of the reorganisation of its financing structure in April 2025.

The Group entered into a fee-based agreement with a bank for payment services. The purpose of this agreement is cash optimisation by extending payment terms of trade payables by up to 30 days and to improve the payment process by aggregating payments. The liabilities subject to this agreement are reported in the balance sheet under current other financial liabilities.

Credit risk

The Group is exposed to credit risk in respect of the default of financial instruments, whether by customers or by counterparties to the financial instruments, where they do not fulfil their commitments at the time of conclusion of the contract or only partially at the time of maturity. However, the Group prepared guidelines in order to avoid the concentration of credit risks and to ensure that the credit risk remains limited.

Where activities of the central treasury department of the Group are affected, the credit risk resulting from financial instruments is managed at Group level.

The Group monitors the development of individual financial instruments and the impact of market developments on their performance and takes appropriate measures in the event of foreseeable unfavourable developments on the basis of predefined procedures and escalation levels.

Assessment of the expected credit losses for customers

The estimated expected credit losses on trade receivables and contract assets were calculated on the basis of actual credit losses in recent years. Credit risks were segmented according to common credit risk attributes. These are the risk assessments on the basis of rating grades of the Standard & Poor's rating agency and taking into account the geographic location.

The following table includes information on the credit risk and the expected credit losses for trade receivables as well as contract assets as of 31 December 2025:

in € million	Rating at Standard & Poor's	Loss rate (weighted average)	Gross carrying amount	Loss allowance	Impaired credit-worthiness
Rating 1-6: low risk	BBB- to AAA	0.0 %	692	-0	No
Rating 7-9: moderate risk	BB- to BB+	0.3 %	172	-1	No
Rating 10: below average	B- to CCC-	1.7 %	2	-0	No
Rating 11: doubtful	C to CC	-	-	-	Yes
Rating 12: loss	D	-	-	-	Yes
Total allowance level 1 and 2				-1	
Specific allowance level 3				-5	Yes
As of 31 December 2025			866	-6	

The following table includes information on the default risk and the expected credit losses for trade receivables as well as contract assets as of 31 December 2024:

in € million	Rating at Standard & Poor's	Loss rate (weighted average)	Gross carrying amount	Loss allowance	Impaired credit-worthiness
Rating 1-6: low risk	BBB- to AAA	0.0 %	617	-0	No
Rating 7-9: moderate risk	BB- to BB+	0.3 %	204	-1	No
Rating 10: below average	B- to CCC-	5.1 %	1	-0	No
Rating 11: doubtful	C to CC	-	-	-	Yes
Rating 12: loss	D	-	-	-	Yes
Total allowance level 1 and 2				-1	
Specific allowance level 3				-10	Yes
As of 31 December 2024			822	-10	

The changes in the loss rates compared to the previous year are due to an increase or decrease of the default risks in different classifications.

	31 Dec.	31 Dec.
in € million	2025	2024
Contract assets	424	385
Trade receivables	436	426
Total	860	811

Expected credit losses for other financial assets in the scope of the IFRS 9 impairment requirements have not been recognised due to materiality.

39.2 Carrying amounts and fair values of financial instruments

The Group's financial assets mainly consist of cash, short- and medium-term deposits and trade receivables. The financial liabilities include trade payables and payables to financial institutions. All purchases and sales of financial assets are recorded on the settlement date in line with market convention.

HENSOLDT Group classifies its financial instruments based on their accounting category. The following tables include the carrying amounts and fair values of financial instruments according to class and valuation category as of 31 December:

		2025		
in € million	Category	Carrying amount	Fair value	Level
Assets				
Other investments and other non-current financial assets ¹	FVtOCI	42	42	–
Other non-current financial assets, current portion	AC	–	–	–
Trade receivables	AC	328	328	–
Trade receivables (available for factoring) ¹	FVtOCI	108	108	–
Other financial assets				
Embedded derivatives	FVtPL	5	5	3
Foreign currency forwards	FVtPL	3	3	2
Non-derivative instruments	AC	26	26	–
Cash and cash equivalents	AC	933	933	1
Total financial assets		1,444	1,444	
Liabilities				
Financing liabilities				
Liabilities to banks	FLAC	1,183	1,137	2
Trade payables	FLAC	591	591	–
Other financial liabilities				
Interest rate swaps and foreign currency forwards	FVtPL	11	11	2
Other miscellaneous financial liabilities	FLAC	36	36	–
Total financial liabilities		1,820	1,775	

¹ For materiality reasons, it is assumed that the fair value corresponds to the carrying amount.

				2024
in € million	Category	Carrying amount	Fair value	Level
Assets				
Other investments and other non-current financial assets ¹	FVtOCI	24	24	–
Other non-current financial assets, current portion	AC	0	0	–
Trade receivables	AC	335	335	–
Trade receivables (available for factoring) ¹	FVtOCI	91	91	–
Other financial assets				
Foreign currency forwards	FVtPL	6	6	2
Non-derivative instruments	AC	9	9	–
Cash and cash equivalents	AC	733	733	1
Total financial assets		1,198	1,198	
Liabilities				
Financing liabilities				
Liabilities to banks	FLAC	1,093	1,117	2
Trade payables	FLAC	546	546	–
Other financial liabilities				
Interest rate swaps and foreign currency forwards	FVtPL	16	16	2
Other miscellaneous financial liabilities	FLAC	71	71	–
Total financial liabilities		1,727	1,751	

¹ For materiality reasons, it is assumed that the fair value corresponds to the carrying amount.

The nominal values of the derivative financial instruments as of 31 December were as follows:

Remaining term nominal amounts						
in € million	under 1 year		over 1 year		total	
	2025	2024	2025	2024	2025	2024
Interest rate derivatives						
Interest rate swaps	–	–	620	620	620	620
Foreign currency derivatives						
Foreign currency forwards	139	241	51	36	190	277
Average EUR:USD forward rate	1.14	0.71	1.19	1.10	–	1
Average EUR:GBP forward rate	0.87	0.88	0.89	0.86	–	–
Average EUR:AUD forward rate	0.75	–	–	–	–	–

The fair values of the derivative financial instruments as of 31 December were as follows:

in € million	Assets		Liabilities	
	2025	2024	2025	2024
Interest rate swaps				
not designated in a hedging relationship	–	–	9	12
Embedded derivatives	5	–	–	–
Foreign currency forwards				
not designated in a hedging relationship	3	6	2	4
Total	7	6	11	16

Embedded derivatives are measured using valuation models where at least one significant input factor is not based on observable market data. These financial instruments are therefore assigned to Level 3 of the measurement hierarchy. An increase or decrease in interest rates of 50 basis points would have led to a change in fair values of €-1.9 million or €3.9 million, assuming all other conditions remained unchanged.

39.3 Net gains or net losses

The following net gains (+) or net losses (-) on measurement of the financial assets and financial liabilities were recognised in profit or loss:

in € million	From subsequent valuation				Fiscal year	
	From interest and dividends	Fair value	Impairment	Currency translation	2025	2024 ¹
Financial assets or liabilities at fair value through profit or loss	–	-5	–	0	-5	11
Financial assets at amortised costs	7	–	-7	-9	-9	43
Financial liabilities at amortised costs	-55	–	–	-1	-55	-63
Total	-48	-5	-7	-10	-69	-9

¹ Due to a change in presentation, the signs were reversed. The amounts remain unchanged.

39.4 Impairment losses

The following impairment losses on financial assets were recognised in profit or loss:

in € million	Category	Fiscal year	
		2025	2024
Impairment losses for other investments and other non-current financial assets	FVtOCI	9	2
Impairment losses for:			
Trade receivables and contract assets (level 1 + 2)	AC	0	0
Trade receivables and contract assets (level 3)	AC	3	4
Impairment losses (gross) on financial assets and contract assets		3	4
Reversals of impairment losses		-3	-1
Impairment losses (net) on financial assets and contract assets		0	3

VII Additional Notes

40 Auditor's fees and services

HENSOLDT Group, its subsidiaries and other companies included in the Consolidated Financial Statements recognised the following expenses for the fees and services of KPMG AG:

in € million	Parent company		Subsidiaries		Total	
	2025	2024	2025	2024	2025	2024
Audit services	1.1	1.3	1.0	1.1	2.0	2.3
Other assurance services	0.6	0.7	–	–	0.6	0.7
Tax advisory services	–	–	–	–	–	–
Other services	–	–	–	0.0	–	0.0
Total	1.7	1.9	1.0	1.1	2.7	3.0

The fees for the audit services provided by KPMG AG were related to the audit of the Consolidated Financial Statements of the Group and the Annual Financial Statements together with the Combined Management Report, the Management Report of HENSOLDT AG and the Remuneration Report as well as the review of the Semi-Annual Financial Report and the audit of various financial statements of its subsidiaries.

Other assurance services and voluntary financial statement audits relate mainly to the audit of the Sustainability Report, which contains the Group's non-financial report, as well as agreed-upon procedures.

41 Future payment obligations

There were purchase commitments especially for inventories and services in the amount of €1,446 million as of 31 December 2025 (previous year: €1,476 million).

42 Corporate Governance

The Group has submitted the declaration of conformity with the German Corporate Governance Code required by section 161 German Stock Corporation Act (AktG), including the recommendations of the government commission for the Code for fiscal year 2025. This declaration of conformity is available on the website of HENSOLDT at <https://investors.hensoldt.net> in the "Corporate Governance" section.

43 Events after the reporting date

Changes on the Management Board

In November 2025, HENSOLDT announced that Dr. Lars Immisch, member of the Management Board and CHRO, would be leaving the company at his own request at the turn of the year 2025/2026. By resolution of the Supervisory Board, Inka Tews was appointed to the Management Board for a term of three years with effect from 1 May 2026. Until

Inka Tews takes up the position of CHRO, the Management Board, together with the HR management team, will ensure continuity and stability in all personnel-related matters.

Changes on the Supervisory Board

The terms of office of the six current employee representatives on the Supervisory Board of HENSOLDT AG will end at the close of the Annual General Meeting on 22 May 2026. The following were elected via the elections held on 9 to 13 March 2026 as employee representatives to the Supervisory Board of HENSOLDT AG with effect from the end of the Annual General Meeting on 22 May 2026: Dr. Jürgen Bestle, Jürgen Bühl, Wolfgang Hirschle, Marc Hoffmann, Julia Wahl, Steffi Zehrer.

Acquisition of Nedinsco

In March 2026, HENSOLDT AG entered into an agreement to acquire 100% of the outstanding shares of Beusker's Apparaten Fabriek B.V. ("BAF"). BAF is the 100% shareholder of B.V. Nederlandse Instrumenten Compagnie "Nedinsco" ("Nedinsco"). Nedinsco is active in the defence and semiconductor industry and focuses on the development and production of optomechatronic systems, including periscopes, driver vision systems and subsystems for optronic sensor units. The Management Board and Supervisory Board of HENSOLDT AG have unanimously approved the full acquisition of BAF. The acquisition will be entirely financed from existing funds. Subject to regulatory approvals and other conditions, the acquisition, including the obtainment of control and the payment of the purchase price for the shares in BAF is expected to be completed around mid-2026 and by 31 October 2026 at the latest.

Proposal for the distribution of profits

The Management Board and the Supervisory Board propose the distribution of a dividend of €0.55 (previous year: €0.50) per share to holders entitled to dividends. This corresponds to an expected total payment of about €63.5 million (previous year: €57.8 million). The remaining balance sheet profit in the amount of €109.7 million shall be carried forward. The payment of the proposed dividend and the profit carried forward is subject to the approval of the Annual General Meeting.

There were no other significant events after the reporting date.

HENSOLDT AG

Management Board

Oliver Dörre

Christian Ladurner

D - Additional Information



I Responsibility statement for the Consolidated Financial Statements and the Combined Management Report of HENSOLDT AG

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which is combined with the Management Report of HENSOLDT AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Taufkirchen, 17 March 2026

HENSOLDT AG

Management Board

Oliver Dörre

Christian Ladurner

II ESEF documents of HENSOLDT AG as of 31 December 2025

The versions of HENSOLDT AG's annual financial statements and combined management report ('ESEF documents') prepared for disclosure purposes are available under the file name "DE_8700_HENSOLDT AG Einzelabschluss und zusammengefasster Lagebericht_2025_ohne Bilanzeid und BV.xhtml" (SHA256-Hash value: ad83333235911b919e1550d51ae1928067e410ecaade68153294d6992322377b) in the company register.

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

III Independent Auditor's Report

To HENSOLDT AG, Taufkirchen, District of Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of HENSOLDT AG, Taufkirchen, District of Munich and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of HENSOLDT AG and the Group for the financial year from January 1 to December 31, 2025.

In accordance with German legal requirements we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

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

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Section 317 HGB and the EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). [Where compliance with ISAs is also relevant add: We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs)]. Our responsibilities under those requirements and principles [in case of supplementary compliance with the ISAs, replace this with: requirements, principles and standards] are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were

addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Cut-off of revenue recognition in the project business of the Sensors operating segment

With regard to the accounting policies applied, please refer to section “I. Basis of presentation (note 2.3. Revenue from contracts with customers and 3.1. Revenue recognition over time)” in the notes to the consolidated financial statements.

Further information is provided in section “III. Group performance (note 10. Revenue and cost of sales)” in the notes to the consolidated financial statements.

RISKS FOR THE FINANCIAL STATEMENTS

Group revenue totaled EUR 2,455 million in the financial year 2025. The Sensors operating segment accounted for EUR 2,052 million of this amount, including EUR 564 million recognized on the basis of a point in time and EUR 1,489 million recognized over time (before exchange rate effects).

Customer contracts in the project business of the Sensors operating segment are predominantly complex, in some cases involving high order volumes and long terms. Customer-specific requirements often mean that there is no alternative use for project business output. HENSOLDT has established detailed guidelines, procedures and processes for accounting for revenue from contracts with customers. Application of the guidelines requires considerable judgement, particularly in identifying performance obligations, estimating total costs, determining the time of fulfilment of performance obligations and determining costs incurred up to the reporting date and hence the progress of performance in the case of revenue recognized over time.

Due to the complexity of contracts with customers and the judgement required when assessing the criteria for determining the time at which a customer obtains control, there is a risk for the financial statements that revenue is recognized in the wrong period.

OUR AUDIT APPROACH

Based on our understanding of processes gained during our audit, we assessed the design, structure and effectiveness of identified internal controls, in particular with regard to the correct determination of actual costs incurred, expected total costs, the progress of contracts and the revenue clearance by project controlling.

For new contracts concluded during the reporting period, we analyzed contracts and assessed whether the criteria applied for recognizing revenue at a point in time or over time were met. For this purpose, we assessed the appropriate application of the accounting guidelines for a sample of contracts selected on a risk-oriented basis.

We checked the methodology used to determine actual costs incurred in relation to the various types of costs included as well as the use of the applicable hourly rates.

On the basis of projects selected by us using a risk-oriented approach, we also examined the process for determining expected total costs in relation to the various types of costs and risks included and for updating forecasts of expected total costs for the selected projects with the relevant project managers from both the commercial and the technical side. We agreed the total amount of revenue underlying the selected projects to the relevant contracts.

We also checked the computation of the progress of the contracts concerned. In a final step, for a representative sample, we assessed whether the timing of revenue recognition was consistent with the progress of the project or with the transfer of control.

OUR CONCLUSIONS

The approach used by the HENSOLDT Group in the cut-off of revenue relating to the project business of the Sensors operating segment is appropriate. The assumptions underlying the accounting treatment are appropriate.

Other Information

Management respectively supervisory board are responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the sustainability report, including the combined non-financial statement included in section V. of the combined management report,

- the combined corporate governance statement of the company and the group included in section VII. of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other Information includes also the remaining parts of the annual report. The other Information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

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

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

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

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

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

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

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

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

Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic files „ESEF.zip“ (SHA256-Hash value: 13b15dda889ced869cb761a032aa8f4350eade305ee01c1b8f2fb31dc539d549); „hensoldtag-2025-12-31-de.xbri“ (SHA256-Hash value: 6e236bc076aadaee405ce5a12a64f72ad2a3c46f32da4b3ba6585f2db50faff8) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility is described more detailed in the section "Responsibility of the Management Board and the Supervisory Board for the ESEF documents". Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

Responsibility of the Management Board and the Supervisory Board for the ESEF documents

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on May 27, 2025. We were engaged by the supervisory board on September 17, 2025. We have been the auditor of the HENSOLDT AG without interruption since the financial year 2019, thereof 6 financial years in which the company continuously met the definition of a public interest entity in accordance with Section 316a sentence 2 HGB.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Felix Schieler.

Munich, 23 March 2026

KPMG AG

Wirtschaftsprüfungsgesellschaft

Original German version signed by:

Koeplin
Wirtschaftsprüfer

German Public Auditor

Schieler
Wirtschaftsprüfer

German Public Auditor

IV Assurance report of the independent German Public Auditor on a limited assurance engagement in relation to the Consolidated Sustainability Statement¹

To the HENSOLDT AG, Taufkirchen

Assurance Conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement, included in section "V. Sustainability report" of the group management report, of HENSOLDT AG, Taufkirchen (hereinafter referred to as "Company" or "HENSOLDT") for the financial year from 1 January to 31 December 2025. The Consolidated Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, and the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Consolidated Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the Consolidated Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "Description of the process for identifying and assessing the material impacts, risks and opportunities (IRO-1)" of the Consolidated Sustainability Statement, or
- the disclosures in section "EU-Taxonomy" of the Consolidated Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section "German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement".

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

¹ Our engagement applied to the German version of the Consolidated Sustainability Statement. This text is a translation of the Assurance report of the independent German Public Auditor issued in the German language, whereas the German text is authoritative.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Sustainability Statement

The executive directors are responsible for the preparation of the Consolidated Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of a Consolidated Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Consolidated Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Consolidated Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Consolidated Sustainability Statement.

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in section "Estimations and outcome uncertainty (BP-2)" and in section "Climate change (E1-6)" of the Consolidated Sustainability Statement, the quantification of the non-financial performance indicators for Scope 3 greenhouse gas emissions is also subject to inherent uncertainties due to estimations and measurement inaccuracies.

These inherent limitations also affect the assurance engagement on the Consolidated Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Consolidated Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Consolidated Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the company's executive directors, and to issue an assurance report that includes our assurance conclusion on the Consolidated Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Consolidated Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Consolidated Sustainability Statement
- inquired of the executive directors and relevant employees involved in the preparation of the Consolidated Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Consolidated Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the executive directors to prepare the Consolidated Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Consolidated Sustainability Statement
- conducted site visits
- considered the presentation of the information in the Consolidated Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement].

Restriction of Use/Clause on General Engagement Term

This assurance report is solely addressed to HENSOLDT AG, Taufkirchen.

The engagement, in the performance of which we have provided the services described above on behalf of HENSOLDT AG, Taufkirchen, was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of January 1, 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations to EUR 4 million specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Munich, 23 March 2026

KPMG AG Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Schieler

Wirtschaftsprüfer

[German Public Auditor]

Vogl

Wirtschaftsprüferin

[German Public Auditor]

V Report of the Supervisory Board

Dear Shareholders,

2025 has once again demonstrated the fundamental extent to which the security environment has changed. Geopolitical tensions, new areas of conflict and a permanent shift in terms of threat levels, as well as Russia's war against Ukraine, are shaping political decisions and investment programmes in Europe and beyond. These factors have made defence and security technology an even more central focus of government decisions on protection, security and defence capabilities than they were previously.

For HENSOLDT, this situation primarily meant one thing: persistently high demand, full order books and high expectations in terms of reliability, speed and quality. The key issue is the ability to actually implement growth – in terms of projects, structures, industrial capacity and the necessary investments. For us as the Supervisory Board, it was crucial to assess whether HENSOLDT would be able to capitalise on these opportunities in the long term. As a result, we maintained close and ongoing dialogue with the Management Board on operational progress, risks and the decisions necessary to make scaling manageable.

Our work also focused on the strategic orientation of the company. In an industry increasingly shaped by technology, software and networking, simply reacting to developments is not enough. HENSOLDT addressed the question early on of how we could position the company to actively shape the development of the industry. In response to this challenge, the Management Board identified four strategic priorities for the long-term growth of the company: focused international growth, industrialisation and the ability to supply increased volumes, the consistent expansion of software-based capabilities, and ongoing development of our organisation and corporate culture. The Supervisory Board closely monitored this strategy discussion, critically reviewed it and provided advisory support to the Management Board.

Particular attention was paid in the reporting year to achieving a good balance between national and international growth. HENSOLDT is increasingly expanding beyond the German market. New regions and customers open up considerable opportunities, while also requiring clear priorities, reliable structures and a commitment to compliance rules and regulatory requirements. The Supervisory Board closely monitored the international development and management of the HENSOLDT Group's subsidiaries abroad.

Our work also concentrated on the internal requirements for adopting this strategic direction. In times of rapid change, qualified employees, efficient processes and an open, performance-oriented and social culture are of crucial importance. Dr Lars Immisch, Member of the Management Board, Chief Human Resources Officer and Labour Director, made an outstanding contribution to fostering a culture open to innovation, to staff development and to strengthening collaboration across all areas. Regrettably, Dr. Immisch passed away in January 2026. The Supervisory Board is deeply saddened by this loss. Ms. Inka Tews will take over the position of Chief Human Resources Officer and Labour Director on 31 May 2026. The Supervisory Board is convinced that this will ensure continuity in the management of the company.

The Supervisory Board believes that the company is strategically well aligned, enjoys a strong market position and has the ability to reliably implement challenging programmes. This makes HENSOLDT a reliable partner for its customers and well prepared for ongoing changes in a security policy landscape undergoing transformation.

I would now like to report to you in more detail on the collaborative efforts of the Supervisory Board and the Management Board.

Cooperation with the Management Board

In 2025, the Supervisory Board of HENSOLDT AG diligently and dutifully carried out its obligations in accordance with the law, the company's Articles of Association and rules of procedure. We advised the Management Board on the management of the company on an ongoing basis and continuously monitored its activities. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the company. The Management Board informed us regularly, both verbally and in writing, promptly and comprehensively about all significant events, focusing on corporate planning, the course of business, strategic development and the current situation of the Group. Cooperation between the Supervisory Board and the Management Board was constructive, open and trusting at all times.

The Management Board agreed the company's strategic direction with us. We discussed the significant business transactions for the company in detail on the basis of the Management Board's reports.

The Supervisory Board, in particular the Chair of the Supervisory Board, was in regular contact with the Management Board beyond the Supervisory Board meetings and was informed about the current development of the business situation and material business transactions. This ensured that the Supervisory Board was always aware of the intended business policy, corporate planning including financial, investment and personnel planning, the course of business, profitability and the position of the Group.

As Chair of the Audit Committee, Ingrid Jägering, also regularly discussed current developments with the Chief Financial Officer, the auditor and selected central Group functions.

As Chair of the Compliance Committee, Hiltrud Werner regularly discussed current topics, important processes and compliance-relevant structures of the company with the heads of the risk-mitigating functions.

Corporate Governance and working methods of the Supervisory Board

Further information on corporate governance can be found in the corporate governance statement, which is part of the Combined Management Report for HENSOLDT AG and the HENSOLDT Group. It contains a detailed report on the working methods of the Supervisory Board and its committees. It also contains explanations of the current declaration by the Management Board and Supervisory Board pursuant to Section 161 German Stock Corporation Act (AktG), which the Supervisory Board adopted on 26 November 2025. The current declaration of the Management Board and Supervisory Board pursuant to Section 161 AktG is also available for at least five years to shareholders on the HENSOLDT website at <https://investors.hensoldt.net> in the Corporate Governance section.

The members of the Supervisory Board are responsible for their own training and development measures. The company supports the Supervisory Board in this to an appropriate extent.

Discussions and resolutions in plenary session of the Supervisory Board

The Supervisory Board of HENSOLDT AG held six meetings in the fiscal year.

At its meeting on 24 February 2025, the Supervisory Board resolved on the target values achieved for the fiscal year 2024 and the determination of the target values for 2025 for the variable remuneration of the Management Board following a report from the Presidial Committee.

At its meeting on 26 March 2025, the Supervisory Board addressed the annual financial statements of HENSOLDT AG and the Consolidated Financial Statements as of 31 December 2024, the combined management and Group management report and the sustainability report. The Supervisory Board also decided on the preparation of the remuneration report for 2024. Another topic of the meeting was the resolution on the preparation and holding of the fifth Annual General Meeting of HENSOLDT AG. The Supervisory Board also adjusted the thresholds for individual actions by the Management Board that require the approval of the Supervisory Board in accordance with the rules of procedure. Another focus of the meeting was the Management Board's proposed realignment of the company's financing structure – the Supervisory Board examined the comprehensive refinancing of the existing syndicated loan agreements in detail. As part of the Management Board's report, the Supervisory Board was also briefed on important campaigns and key projects, with a focus on the highly dynamic nature of the business and the Management Board's efforts to drive forward operational scaling while at the same time stimulating innovation. In addition, the Supervisory Board gained an overview of the roadmap for HENSOLDT's digital future presented by Mr Dörre and the anchoring of the software-defined defence strategic axis in the corporate strategy.

The corporate strategy was also on the agenda of the Supervisory Board meeting on 7 May 2025: How will the company position itself not only to be prepared for future challenges, but also to actively shape the development of the industry? Mr Dörre explained 'North Star' to the Supervisory Board, the company's long-term strategy, which is intended to provide clear guidelines, group long-term goals into specific areas of action and provide a common direction across all divisions of the company. The Supervisory Board also discussed the ever-relevant topic of cyber security and what stage the Group-wide rollout of the S4/HANA software solution was at with the Chief Information Officer of the HENSOLDT Group.

Following the Annual General Meeting of HENSOLDT AG and, with it, the start of the new terms of office for the shareholder representatives on the Supervisory Board, the Supervisory Board held a meeting on 27 May 2025 to elect the chair of the Supervisory Board and appoint the shareholder representatives to the committees. The previous appointments to the chair of the Supervisory Board and the committees were confirmed.

On 31 July 2025, the Management Board informed the Supervisory Board about the performance of the business and provided information on the responsibilities and initiatives of the Group Transformation Office, an internal unit tasked with supporting and implementing strategic transformation issues within the company and improving the organisation's

efficiency and long-term viability. In view of the upcoming election of the employee representatives to the Supervisory Board in 2026, the shareholder representatives decided to object to the overall fulfilment of the quota pursuant to Section 96 (2) sentence 2 of the German Stock Corporation Act (AktG).

On 26 November 2025, the Supervisory Board addressed the early termination by mutual agreement of Dr Lars Immisch's term of office as a member of the Management Board and Labour Director with effect from 31 December 2025. On the recommendation of the Presidial Committee, the Supervisory Board decided to appoint Ms Inka Tews to the Management Board and as Labour Director. In addition, the Supervisory Board redefined the target for the proportion of women on the Management Board. The Supervisory Board approved the HENSOLDT Group's business plan and instructed the Presidial Committee to prepare the targets for the variable remuneration of the Management Board in 2026. The Supervisory Board also resolved to issue a declaration of conformity with the German Corporate Governance Code and to approve the submission of an offer by HENSOLDT Sensors GmbH, to approve a resolution by the Management Board to issue collateral for a project contract and to approve two amendment agreements by HENSOLDT Sensors GmbH, each of which will increase the project volume.

The Supervisory Board also passed resolutions by written procedure where necessary. This involved approving the submission of two bids by HENSOLDT Sensors GmbH, approving the submission of three bids by HENSOLDT Optronics GmbH, and approving a resolution by the Management Board to issue collateral by HENSOLDT AG relating to construction work for the new campus at the Oberkochen site.

The members of the Management Board regularly attended Supervisory Board and committee meetings. Discussions on internal matters of the Supervisory Board and on personnel issues of the Management Board took place in the absence of the Management Board.

Actions requiring the approval of the Supervisory Board in accordance with the Articles of Association, the rules of procedure for the Supervisory Board or the rules of procedure for the Management Board were submitted to the Supervisory Board for approval with sufficient advance notice. The Supervisory Board approved the Management Board's proposed resolutions in each case after thoroughly reviewing and discussing them. Apart from the individual measures already explained, there are no further transactions requiring approval to report on for the past fiscal year.

Committees of the Supervisory Board

The Supervisory Board has established a Presidial Committee and five other committees in order to perform its duties efficiently. These committees prepare the resolutions of the Supervisory Board as well as the topics to be dealt with in the plenary session. To the extent permitted by law, decision-making powers of the Supervisory Board have been transferred to the relevant committees.

The Presidial Committee held three meetings in the reporting year.

At its meeting on 24 February 2025, the Presidial Committee assessed the targets achieved for the fiscal year 2024 and prepared a proposal to the Supervisory Board on the bonus for the Management Board for the fiscal year 2024 and on setting the targets for the Management Board for 2025.

With a view to setting the targets for the LTIP tranche 2025, the Presidial Committee passed a resolution at its meeting on 25 March 2025 to mathematically specify the bonus component of order intake.

At its meeting on 20 November 2025, the Presidial Committee discussed the mutually agreed early termination of Dr Lars Immisch's term of office as a member of the Management Board and Labour Director and the selection process for appointing a successor. The Presidial Committee decided to propose the appointment of Ms Inka Tews as the new Chief Human Resources Officer to the Supervisory Board.

The Audit Committee held six meetings.

A key part of its work was discussing the preliminary key financial figures for fiscal year 2024, the dividend proposal and the key financial figures for the year (quarterly statement 3M 2025, half-year financial report H1 2025 and quarterly statement 9M 2025). The Audit Committee consulted with the Chief Financial Officer on the key financial figures and, with regard to the half-year financial report, with the auditor to explain the results of the audit review.

The representatives of the auditor KPMG also took part in the discussion of the Annual and Consolidated Financial Statements. The Audit Committee also made recommendations to the Supervisory Board regarding the choice of auditor.

The committee received regular reports from those responsible for the main control functions on current developments and the further development of the control systems. The committee also addressed financing and refinancing and cyber security

The committee also discussed the audit results for 2025 and the audit planning for the fiscal year 2026 in the presence of the Head of Internal Audit.

The contents of the meetings were presented to the Supervisory Board as part of the oral reports from the committee meetings and – where necessary – submitted for a decision.

In addition, the Chair of the Audit Committee is in regular contact with the auditor – also outside of meetings. The auditor informs the Audit Committee without delay of all findings and events of significance to its duties that come to its attention during the performance of the audit. The auditor has declared to the Audit Committee that there are no circumstances that would give rise to the assumption that the auditor is biased. The Audit Committee obtained the required independence agreement from the auditor and reviewed the auditor's qualifications. Two proven financial experts, Ingrid Jägering and Giuseppe Panizzardì are permanently represented on the Audit Committee. Expertise in sustainability issues is also ensured on the Audit Committee and is continuously developed.

At the meeting on 22 February 2025, the Audit Committee discussed the preliminary key financial figures for the fiscal year 2024 and the dividend proposal with the Chief Financial Officer and the auditor.

With a view to the General Meeting of HENSOLDT AG, at its meeting on 25 March 2025 the Audit Committee prepared the Supervisory Board's resolution on the Annual Financial Statements, Combined Management Report and other reporting, including non-financial reporting, made a recommendation to the Supervisory Board on the appropriation of net retained profits, as well as preparing the Supervisory Board's resolution on the refinancing arrangement.

On 5 May 2025, the Audit Committee discussed the quarterly statement for the first three months of fiscal year 2025 and discussed the risk report with the Head of Internal Audit, ERM & ICS.

On 30 July 2025, the Audit Committee discussed the report for the first half of the fiscal year 2025, assured itself of the quality of the audit and discussed the execution of the audit plan by Internal Audit.

The discussion of the interim financial information for the first nine quarters was the subject of the Audit Committee meeting on 6 November 2025.

On 26 November 2025, the Audit Committee discussed the current status of the audit of the Annual and Consolidated Financial Statements for 2025. The Audit Committee also ensured that the requirements of the German Corporate Governance Code were carefully examined by the Supervisory Board before issuing the declaration of conformity.

At its regular meetings throughout the year, the Audit Committee also received regular reports from the Chief Financial Officer on current matters involving the finance department. The Head of Internal Audit provided regular reports on audit activities and investigations as well as on current risk management issues. The Audit Committee ensured that all identified potential risks were addressed appropriately.

There were regular consultations between the Audit Committee and the auditor without the presence of the Management Board and consultations between the Audit Committee and the Management Board without the presence of the auditor. Ahead of the Audit Committee meetings, the Chair of the Audit Committee reported to the committee members in writing on their regular communication and dealings with the Management Board and with the Auditor

The Compliance Committee held four meetings in the reporting year.

At its meetings, the Compliance Committee received regular reports from the General Counsel, Head of Compliance, Head of Data Privacy and from the Head of Internal Audit on their respective areas including the export control report and discussed the results with the specialist functions and the Management Board. This included reporting on data protection notifications from the company and OpenLine cases. There was also a regular exchange with the Head of Internal Audit and the HENSOLDT Group's Data Protection Officer. The Compliance Committee also dealt with the ongoing development of risk-mitigating processes and with the organisational integration of the export control and export compliance teams. Further discussions were held on the management of HENSOLDT Group's foreign subsidiaries. The Human Rights Officer submitted their annual report to the Compliance Committee.

The Nomination Committee, the Mediation Committee and the Committee for Related Party Transactions were not convened in the fiscal year.

Presence of Supervisory Board members at the meetings

Information on the participation of Supervisory Board members in the meetings of the Supervisory Board and its committees that took place in the reporting year is provided below. The majority of meetings were held in hybrid form as

face-to-face meetings with the participation of individual or several Supervisory Board members via video conference link-up, while other meetings of the Supervisory Board and its committees were held as 100% face-to-face meetings.

(Number of meetings / Presence in %)	Supervisory Board plenary		Audit Committee		Compliance Committee		Presidial Committee	
	Number	in %	Number	in %	Number	in %	Number	in %
Reiner Winkler (Chair)	6/6	100.0%	–	–%	–	–%	3/3	100.0%
Armin Maier-Junker ¹ (Vice Chair)	3/6	50.0%	–	–%	–	–%	2/3	66.7%
Dr. Jürgen Bestle ¹	6/6	100.0%	–	–%	4/4	100.0%	3/3	100.0%
Jürgen Bühl ¹	6/6	100.0%	–	–%	–	–%	3/3	100.0%
Marco R. Fuchs	4/6	66.7%	–	–%	–	–%	–	–%
Achim Gruber ¹	6/6	100.0%	–	–%	4/4	100.0%	–	–%
Ingrid Jägering	6/6	100.0%	6/6	100.0%	–	–%	–	–%
Marion Koch ¹	5/6	83.3%	5/6	83.3%	–	–%	–	–%
Giuseppe Panizzardi	5/6	83.3%	6/6	100.0%	–	–%	3/3	100.0%
Raffaella Luglini	6/6	100.0%	–	–%	3/4	75.0%	–	–%
Julia Wahl ¹	4/6	66.7%	5/6	83.3%	–	–%	–	–%
Hiltrud D. Werner	6/6	100.0%	–	–%	4/4	100.0%	3/3	100.0%

¹ Representative of the employees

Presence at the meetings of the Supervisory Board was therefore 90.0% in the fiscal year.

Conflicts of interest on the Supervisory Board

No conflicts of interest of members of the Management Board or Supervisory Board requiring disclosure to the Supervisory Board were reported in the fiscal year.

Changes in the Management Board and Supervisory Board

Dr Lars Immisch resigned as a member of the Management Board and Labour Director on 31 December 2025.

Ms Inka Tews was appointed to the Management Board and as Labour Director on 26 December 2025 for a term of three years, with effect from 1 July 2026 at the latest. The start of Ms Tews' term of office was subsequently set for 1 May 2026.

In the reporting year, the following new elections and appointments to the Supervisory Board took place, although these did not result in any changes to the composition of the Plenary and the committees: With effect from the end of the Annual General Meeting on 27 May 2025, Mr Reiner Winkler, Mr Marco R. Fuchs, Mr Giuseppe Panizzardi and Ms Raffaella Luglini, whose terms of office had expired, were re-elected to the Supervisory Board. Ms Ingrid Jägering and Ms Hiltrud Werner, whose terms of office expired at the end of the Annual General Meeting on 27 May 2025, were reappointed to the Supervisory Board by the Federal Republic of Germany with effect from the end of the Annual General Meeting on 27 May 2025 in accordance with Section 8 (2) of the Articles of Association.

Audit of the Annual and Consolidated Financial Statements

KPMG AG Wirtschaftsprüfungsgesellschaft was appointed as auditor for fiscal year 2025 by resolution of the Annual General Meeting on 27 May 2025. KPMG AG Wirtschaftsprüfungsgesellschaft had previously confirmed that there were no circumstances that could impair its independence as auditor or give rise to doubts about its independence. KPMG AG Wirtschaftsprüfungsgesellschaft also explained the extent to which non-audit services were provided to all companies of the HENSOLDT Group in the previous fiscal year.

The Management Board of HENSOLDT AG prepared the Annual Financial Statements, the Combined Management Report of HENSOLDT AG and Group and the Consolidated Financial Statements for the fiscal year 2025.

KPMG AG Wirtschaftsprüfungsgesellschaft audited the Annual Financial Statements, the Combined Management Report of the HENSOLDT Group and the Consolidated Financial Statements for the fiscal year 2025 and issued an unqualified audit opinion on 23 March 2026. The Consolidated Financial Statements were prepared on the basis of the International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German law pursuant to Section 315e (1) German Commercial Code (HGB). The Annual Financial Statements and the Combined Management Report were prepared in accordance with German commercial law.

The auditor conducted the audit of the Annual and Consolidated Financial Statements in accordance with Section 317 HGB and the generally accepted German standards for the audit of Financial Statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW).

The aforementioned documents were distributed to us by the Management Board in good time or were available at the balance sheet meeting. They were discussed in detail by the Audit Committee on 25 March 2026. The members of the Audit Committee reported in detail on these discussions to the full Supervisory Board at the balance sheet meeting on 26 March 2026. The full Supervisory Board discussed the Financial Statements and reports in detail – also in the presence of the Management Board. Both meetings were attended by the auditor, who reported on the key findings of their audit. The scope, focus and costs of the audit were also presented.

We concurred with the results of the audit. Following the final results of the audit by the Audit Committee and our own audit, there were no objections to be raised. The Supervisory Board approved the Annual Financial Statements and the Consolidated Financial Statements, both prepared by the Management Board. The Annual Financial Statements are thus adopted. The Management Board proposes that, of the distributable balance sheet profit totalling €173,248,966.33, the amount of €63,525,000 be used to pay a dividend of €0.55 per dividend-bearing share. We approved this proposal.

As part of its review, the Supervisory Board also examined the non-financial Group statement as part of the Sustainability Report, the preparation of which is required in accordance with Section 315b of the German Commercial Code (HGB), and concluded that it meets the existing requirements and that there are no objections to be raised. An external review by KPMG AG Wirtschaftsprüfungsgesellschaft had previously confirmed that no matters had come to the auditors' attention that would lead them to conclude that the non-financial Group statement had not been prepared in accordance with Section 315c HGB in all material respects.

Thanks to the Management Board and employees

The Supervisory Board would like to thank the members of the Management Board, the employees and the employee representatives of all Group companies for their work. They have all contributed to a very successful year for the HENSOLDT Group.

On behalf of the Supervisory Board

The Chair of the Supervisory Board

VI Remuneration Report

The Remuneration Report provides an overview of the structure and system of remuneration for the Management Board and Supervisory Board of HENSOLDT AG and contains detailed information on the respective remuneration granted and owed to the current and former members of the Management Board and Supervisory Board.

The Remuneration Report was prepared jointly by the Management Board and the Supervisory Board.

The contents of this Remuneration Report comply with the regulatory requirements of the German Stock Corporation Act (section 162 AktG). The Remuneration Report 2024 was adopted at the Annual General Meeting on 27 May 2025 with a majority of 98.73% of the valid votes cast.

This Remuneration Report will be submitted to the Annual General Meeting on 22 May 2026 for approval.

The Remuneration Report 2025 was audited by KPMG AG Wirtschaftsprüfungsgesellschaft beyond the requirements of section 162 (3) of the German Stock Corporation Act (AktG) and in terms of both formal and content criteria. The independent auditor's report is attached to the Remuneration Report 2025.

The Remuneration Report of HENSOLDT AG is made available on the website of HENSOLDT at <https://investors.hensoldt.net>.

The current remuneration systems for the members of the Management Board and the Supervisory Board are available on the website of HENSOLDT at <https://investors.hensoldt.net>.

1 Remuneration of the members of the Management Board in the fiscal year 2025

The structure of the remuneration and the amounts paid to the members of the Management Board are determined and regularly reviewed by the Supervisory Board. The review applies the recommendations of the German Corporate Governance Code ("GCGC" or "Code") in the version adopted by the Government Commission on 28 April 2022, unless a deviation was or is declared in individual cases, and implements the requirements pursuant to section 87 and section 87a AktG.

1.1 Overview of the remuneration system

The current remuneration system for the members of the Management Board was last amended in 2025 with effect from 1 January 2025 and was approved by the Annual General Meeting on 27 May 2025 with a majority of 85.36% of the valid votes cast.

The adjustment to the remuneration system involves aligning the shares to be held by the Management Board members – with the exception of the chair of the Management Board – according to the Share Ownership Guidelines.

The remuneration of the members of the Management Board is based on their area of responsibility, individual performance, the performance of the Management Board as a whole, and the economic and financial position as well as the success of HENSOLDT Group. The remuneration paid to the members of the Management Board is appropriate, performance-related and in line with market conditions.

An external independent expert is regularly consulted, most recently in fiscal year 2023, to review the appropriateness of the Management Board remuneration in terms of amount and structure. In addition, the Management Board remuneration is considered in terms of the ratio of senior management remuneration to that of the workforce. The benchmark used for a market comparison is based on a German peer group of listed companies of comparable size with a focus on industrial, mechanical engineering and automotive suppliers, as well as listed companies of comparable size

from the information technology sector which is explained, in detail, in the Remuneration Report for members of the Management Board.

The remuneration for the members of the Management Board consists of fixed remuneration, a short-term variable remuneration component (Short-Term Incentive, "STI annual bonus" or "STI") and a long-term variable remuneration component (Long-Term Incentive, "LTI bonus" or "LTI"). The variable remuneration resulting from the achievement of long-term targets exceeds the share of short-term targets (based on the assumption of a target achievement of 100%). The criteria for the assessment of the performance-based remuneration and the annual targets set by the Supervisory Board at the beginning of the fiscal year are not subject to change in the course of a fiscal year. Subsequent changes to the target values or reference parameters for the STI annual bonus and the LTI bonus are generally excluded. The Supervisory Board does, however, have the option of taking appropriate account of extraordinary developments when assessing target achievement.

The remuneration system for the Management Board members contributes to the promotion of the business strategy and the long-term development of the company and its affiliated companies, namely through a simple design of the Management Board remuneration with a clear incentive structure for the members of the Management Board. The remuneration system is structured in such a way that it appropriately rewards the performance of the Management Board members while complying with all regulatory requirements, the recommendations of the GCGC and market practice. The variable remuneration is designed to reward the achievement of both short-term annual targets and long-term targets measured over multi-year periods. This is to avoid the Management Board making decisions for reasons that would optimise its remuneration in the short term but would not deliver sustainable business success. The members of the Management Board are also incentivised by a share acquisition and shareholding obligation designed to increase the value of the company in the interests of the shareholders.

Fixed remuneration components

The members of the Management Board receive from the Group a fixed annual base salary for their services and fringe benefits. These mainly comprise a company car, employer contributions to private and statutory health insurance, continued payment of wages in the event of incapacity for work due to illness or death, preventive health checks at the company's expense, a group accident insurance, a term life insurance, if required reimbursement of home travel expenses, and a housing cost subsidy for a secondary residence as well as security expenses, e.g. for construction measures at private apartments to protect the members of the Management Board. The scope may be determined by the Supervisory Board at its reasonable discretion. Fringe benefits are restricted to a maximum amount specified by the Supervisory Board for the fiscal year.

The Management Board members participate in the company pension scheme for the duration of the Management Board service contract in accordance with the pension commitment regulations applicable to senior executives and executives. The corporate pension is granted in the form of a direct commitment. Alternatively, a fixed amount is granted for establishing a private pension. The company does not grant any retirement, survivors or disability benefits, in particular no other defined benefit pension commitments for which provisions would have to be recognised. No bridging allowance or other forms of early retirement are provided for in the remuneration system.

STI annual bonus

The members of the Management Board have the opportunity to receive an STI annual bonus depending on the annual performance of the HENSOLDT Group. The basis for determining the amount of the STI annual bonus is the target amount ("STI target amount"), i.e. the amount to which a Management Board member is entitled if it achieves exactly 100% of the STI annual targets. The STI annual bonus might amount to a maximum of 150% of the STI target amount (cap). The STI annual bonus serves as reward for the achievement of the HENSOLDT Group's short-term business targets and depends on the achievement of the target values for the three current STI bonus components which are free cash flow, EBITDA and revenue – each on a consolidated basis, according to IFRS as adopted by the European Union (EU), for the HENSOLDT Group. The three STI bonus components are basically each equally weighted, i.e. one third of each is included in the calculation of target achievement for the STI annual bonus. The Supervisory Board may determine a different weighting on a case-by-case basis and decide on other STI bonus components, including non-financial ones, at its reasonable discretion. Details on the definition of the target values can be found in the remuneration system on the website of HENSOLDT at <https://investors.hensoldt.net>.

The corresponding target values are approved by the Supervisory Board as part of determining the annual budget. The STI annual bonus is payable within thirty working days after the approval of the Consolidated Financial Statements for the past fiscal year.

The target setting for the STI annual bonus is based on the criteria set out below:

Payment % of target bonus						
Bonus component	Weighting	< 80% of Target value	> 80% and < 100% of Target value ¹	Target value	> 100% and < 120% of Target value ¹	> 120% of Target value ²
Free cash flow	1/3	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150%
EBITDA	1/3	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150%
Revenue	1/3	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150%

¹ If the respective target value for an STI bonus component is not achieved, the respective bonus component is reduced on a straight-line basis in the ratio 1:5. If one target value for an STI bonus component is exceeded, the respective bonus component increases on a straight-line basis in the ratio 1:2.5.

² The linear increase in the bonus component only occurs if a target value of more than 80% for each of the three STI bonus components has been achieved.

LTI bonus

All members of the Management Board are entitled to multi-year performance-based remuneration ("LTI bonus"). The basis for determining the amount of the LTI bonus is the target amount ("LTI target amount"), i.e. the amount to which a Management Board member is entitled if they achieve 100% of the multi-year targets. The LTI bonus can be a maximum of 200% of the LTI target amount (cap). The performance period for the LTI bonus is four years.

At the beginning of the respective four-year measurement period of an LTI bonus tranche, the Supervisory Board shall determine at its reasonable discretion the terms and conditions for each LTI bonus component, including the weighting, and the corresponding target values of the relevant bonus tranche.

The LTI bonus is generally measured in line with the following LTI bonus component weighting from the remuneration system:

- 30-40% based on the relative total shareholder return¹ (TSR) of the company compared to the MDAX,
- 25-30% based on the order intake of the HENSOLDT Group,
- generally 15% for each of two selected ESG targets (e.g. Diversity, Environmental, Climate Impact, Social)

In addition, the Supervisory Board may include up to 15% as an LTI bonus component for individual LTI tranches based on multi-year (measurable) special projects. The exact targets for the various LTI bonus components and their exact weighting are to be determined by the Supervisory Board at their appropriate discretion for each LTI tranche.

At the end of each measurement period, a degree of overall target achievement is determined for the performance targets set by the Supervisory Board before the start of the performance period. The target achievement for each of the LTI bonus components and the overall target achievement resulting from the individual target achievement values can amount to a maximum of 150%. The LTI bonus is payable when the Supervisory Board determines that the target values have been achieved.

Furthermore, the performance share plan to be applied as part of the LTI bonus ensures that the amount of the LTI bonus is more dependent on the share price of HENSOLDT AG. At the beginning of the respective measurement period, the Management Board member receives a number of virtual shares ("stock rights") calculated by dividing the target amount of the LTI target bonus by the average price of the shares of HENSOLDT AG. After the end of the respective measurement period, the number of stock rights calculated at the beginning of the measurement period is multiplied by the overall target achievement of the LTI bonus components determined from the target achievement of the individual LTI bonus components.

The LTI bonus to be paid out as a cash entitlement is determined by multiplying the number of stocks calculated on the basis of the target achievement with the average closing price of the shares of HENSOLDT AG.

¹ The relative TSR refers to the share price performance plus notionally reinvested gross dividends during the four-year performance period and is determined on the basis of data from a recognised data provider (e.g. Refinitiv Eikon).

Tranche 2025-2028

The weighting of the LTI bonus components for the tranche 2025-2028 was established as follows: 30% for the TSR, 25% for the intake of new orders and 15% for each of the two ESG targets “Environmental” (reduction of Scope 1 and 2 emissions” and “Social” (improve work-related wellbeing and leadership).

The successful implementation of the North Star strategy was designated as a special project with an LTI bonus component of 15%.

The overall degree of target achievement for the tranche 2025-2028 is determined according to the following criteria:

Payment % of target bonus						
Bonus component	Weighting	< 80% of Target value	> 80% and < 100% of Target value ¹	Target value	> 100% and < 120% of Target value ¹	> 120% of Target value
Relative total shareholder return compared with MDAX	30%	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150%
Order intake of HENSOLDT Group acc. to management report	25%	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150%
ESG Target: Environmental	15%	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150% ²
ESG Target: Social	15%	0%	linear reduction in the ratio 1:5	100%	linear increase in the ratio 1:2.5	150% ²
Special target: Realisation North Star Strategy	15%			100%		150% ²

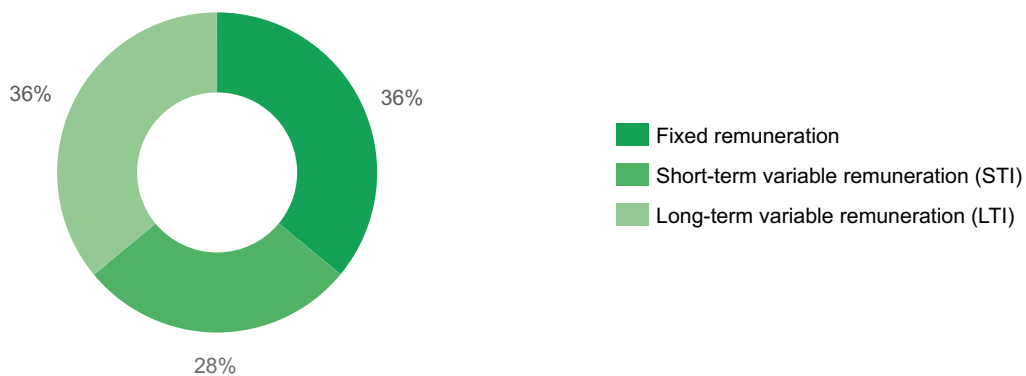
¹ If the respective target value for an LTI bonus component is not achieved, the respective bonus component is reduced on a straight-line basis in the ratio 1:5. If one target value for an LTI bonus component is exceeded, the respective bonus component increases on a linear basis in the ratio 1:2.5.

² The determination of whether and to what extent the Management Board member has achieved this LTI bonus component shall be made at the end of the four-year measurement period by the Supervisory Board, which, using its reasonable discretion at all times, shall compare the actual value achieved with the targeted objective and may take into account any under- or overachievement, but with a maximum of 150% of the intended weighting (as well as the individual components, if applicable).

Further details on the setting of targets and the determination of target achievement can be found in the remuneration system of the Management Board on the website of HENSOLDT at <https://investors.hensoldt.net>.

Relationship of the remuneration components to each other

The current average target direct remuneration for all Management Board members will thus comprise basic remuneration and variable remuneration as follows (assuming 100% achievement for each of the targets):



Clawback

The STI annual bonus and LTI bonus are subject to a clawback regulation. Further details on the clawback provision can be found in the remuneration system of the Management Board on the website of HENSOLDT at <https://investors.hensoldt.net>.

Maximum remuneration

The annual maximum remuneration in terms of section 87a (1) sentence 2 no. 1 German Stock Corporation Act (AktG) for the members of the Management Board in office as of 31 December 2025 was determined by the Supervisory Board as follows:

- for the CEO: €3.5 million
- for any other ordinary member of the Management Board²: €2.5 million

If the actual remuneration granted exceeds the maximum remuneration cap, the entitlement to the LTI bonus will be reduced accordingly.

Share retention programme

The members of the Management Board are obliged to hold shares of HENSOLDT AG for the duration of their appointment as a member of the Management Board, whereby this obligation must be fulfilled for the first time at the latest four years after the initial appointment as a member of the Management Board (“build-up phase”). The share retention programme is designed to incentivise the members of the Management Board to contribute to the long-term development of the HENSOLDT Group. Further details on the share retention programme provision can be found in the remuneration system of the Management Board on the website of HENSOLDT at <https://investors.hensoldt.net>.

Benefits in the event of premature termination of appointment

In the event of premature termination of the appointment, the Management Board members are entitled to a severance payment. The severance payment is limited to two years’ remuneration and is reduced on a pro rata temporis basis if the remaining term of the Management Board service contract is less than two years (“severance cap”). More details on the benefits in the event of premature termination of employment can be found in the remuneration system of the Management Board on the website of HENSOLDT at <https://investors.hensoldt.net>.

The service contracts of the members of HENSOLDT AG’s Management Board do not include any commitments for benefits in the event of premature termination of the Management Board service contract by the Management Board member due to a change of control.

1.2 Remuneration of the members of the Management Board in the fiscal year

Composition of the Management Board in fiscal year 2025

In fiscal year 2025, the Management Board of HENSOLDT AG comprised the following members:

- Oliver Dörre, member of the Management Board since 1 January 2024, chair of the Management Board since 1 April 2024
- Christian Ladurner, member of the Management Board since 1 July 2022
- Dr. Lars Immisch, member of the Management Board since 1 October 2022, until 31 December 2025

² According to the remuneration system, the maximum remuneration for the CFO is €3.3 million.

Fixed remuneration components

Application in the fiscal year

The following table shows the fixed remuneration components granted in fiscal year 2025 to the active members of the Management Board.

Active members of the Management Board as per 31 December 2025 (amounts in €)	Oliver Dörre (CEO)	Christian Ladurner (CFO)	Dr. Lars Immisch (CHRO)
Annual basic remuneration	750,000	436,800	436,800
Additional benefits	58,185	21,147	34,744
Fixed remuneration 2025	808,185	457,947	471,544

Contribution made by the remuneration system to the long-term development of the HENSOLDT Group

Regarding the contribution made by the remuneration system to the long-term development of the Group, please refer to the general remarks in section [“VI 1.1 Overview of the remuneration system”](#). The purpose of the fixed remuneration is to attract and retain suitable candidates for management positions in the Group by offering an attractive fixed salary in line with market rates.

STI annual bonus

Presentation of “remuneration granted and owed”

In order to improve clarity and transparency, the remuneration granted is reported for which the underlying activity was fully performed in the reported fiscal year. The disclosure is thus made at the time of vesting and is independent of whether the remuneration has already been paid during the fiscal year. Accordingly, the STI earned in fiscal year 2025 is presented as the remuneration granted and owed in fiscal year 2025.

Application in the reporting year

Target achievement for the STI 2025 (amounts in € million)	Weighting	Target value	Actual	Target achievement	Adjustment in case of under/overachievement
Consolidated revenue	33%	2,601	2,455	94%	72%
EBITDA ¹	33%	460	452	98%	91%
Free cash flow ²	33%	241	347	144%	150%
Overall target achievement				112%	104%

¹ Key figure adjusted for special items as per reconciliation in section II Economic Report 3.1 Results of operations in the Combined Management Report for the year ended 31 December 2025.

² Key figure adjusted for special items and M&A activities as per reconciliation in section II Economic Report 3.3 Financial position in the Combined Management Report for the year ended 31 December 2025.

The table below shows, for each Management Board member, the respective target amount (for a target achievement of 100%), the degree of target achievement determined by the Supervisory Board and the amount to be paid out for the fiscal year 2025 in accordance with the due date set out in the remuneration system.

STI-annual bonus for 2025 earned in 2025	Target amount in €	Achievement level in %	Disbursement amount in €
Active members of the Management Board as of 31 December 2025			
Oliver Dörre (CEO)	650,000	104%	676,000
Christian Ladurner (CFO)	327,600	104%	340,704
Dr. Lars Immisch (CHRO)	327,600	104%	340,704

The STI for 2025 is due in 2026 within thirty working days after the approval of the Consolidated Financial Statements of HENSOLDT AG for fiscal year 2025.

Contribution to the long-term development of the HENSOLDT Group

For the contribution of the remuneration system to the long-term development of the Group, please refer to the general explanations under "[VI 1.1 Overview of the remuneration system](#)". The STI is intended to reward the achievement of specific financial targets that are classified as being important for the strategic development of the Group.

LTI bonus

Tranche 2021-2024 (disbursement)

Disbursement for the 2021–2024 tranche was made in the reporting year.

Virtual shares (tranche 2021-2024)	Thomas Müller	Axel Salzmann	Peter Fieser	Celia Pelaz Perez ¹
Amount paid out (in €)	1,300,000	1,200,000	800,000	340,000

¹ Pro-rated assignment value (target amount)

Tranche 2022-2025 (target achievement)

The overall target achievement level for the LTI bonus is derived from the target achievement levels for the respective LTI bonus components set by the Supervisory Board for the relevant performance period. On expiry of the 2022–2025 performance period, the LTI bonus components linked to fulfilment of the conditions will have been earned.

For details and definitions, see the general information on the remuneration system in section "[VI 1.1 Overview of the remuneration system](#)".

Payment for tranche 2022-2025 will be made in 2026 after the Supervisory Board has established that the targets have been achieved.

Bonus component	Weighting	Target achievement level in %
Relative Total Shareholder Return vs. MDAX	40%	150.0%
Order intake of the HENSOLDT Group	30%	150.0%
ESG goal: Diversity	15%	100.0%
ESG goal: Climate Impact	15%	150.0%
Overall target achievement in %		142.5%

For disbursement, the number of shares calculated on the basis of target achievement is multiplied by an average share price of €84.89 over the last 60 trading days prior to the end of the performance period. The disbursement amount is capped at a maximum of 200% of the LTI target amount (cap).

Virtual shares (tranche 2022-2025)	Thomas Müller	Christian Ladurner ¹	Dr. Lars Immisch ¹	Celia Pelaz Perez	Axel Salzmann ¹	Peter Fieser
Target amount (in €)	650,000	150,000	85,000	340,000	300,000	400,000
Share price (in €)	16.44	16.44	16.44	16.44	16.44	16.44
Number of virtual shares granted in 2022	39,538	9,124	5,170	20,681	18,248	24,331
Total target achievement in %	142.5%	142.5%	142.5%	142.5%	142.5%	142.5%
Share price (in €)	84.89	84.89	84.89	84.89	84.89	84.89
Calculated LTI amount (in €)	4,782,843	1,103,714	625,406	2,501,744	2,207,429	2,943,278
Disbursement amount in € (after consideration of the LTI Cap)	1,300,000	300,000	170,000	680,000	600,000	800,000

¹ Pro-rated assignment value (target amount)

Tranche 2023-2026

For the 2023-2026 performance period, another LTI bonus component was added in the form of the special target "Successful implementation of the business transformation for SAP S/4HANA".

Virtual shares (tranche 2023-2026)	Thomas Müller	Christian Ladurner	Dr. Lars Immisch	Celia Pelaz Perez
Target amount (in €)	650,000	300,000	340,000	340,000
Share price (in €)	28.42	28.42	28.42	28.42
Number of virtual shares granted in 2023	22,871	10,556	11,963	11,963

Tranche 2024-2027

For the 2024-2027 performance period another LTI bonus component was added in the form of the special target "Post-merger integration of the ESG Group".

Virtual shares (tranche 2024-2027)	Oliver Dörre	Christian Ladurner	Dr. Lars Immisch	Thomas Müller	Celia Pelaz Perez ¹
Target amount (in €)	600,000	436,800	436,800	650,000	364,000
Share price (in €)	30.92	30.92	30.92	30.92	30.92
Number of virtual shares granted in the reporting period	19,405	14,127	14,127	21,022	11,772

¹ Pro-rated assignment value (target amount)

Application in the reporting year: tranche 2025-2028

For the 2025-2028 performance period another LTI bonus component was added in the form of the special target "Successful realisation of the North Star strategy".

Virtual shares (tranche 2025-2028)	Oliver Dörre	Christian Ladurner	Dr. Lars Immisch
Target amount (in €)	750,000	436,800	436,800
Share price (in €)	48.37	48.37	48.37
Number of virtual shares granted in the reporting period	15,505	9,030	9,030

Contribution to the long-term development of the HENSOLDT Group

For details of the contribution made by the remuneration system to the long-term development of the Group, please refer to the general remarks in section "VI 1.1 Overview of the remuneration system. The LTI is designed to reward achievement of the long-term targets, measured over multi-year periods. This is supposed to prevent the Management Board making decisions that are aimed at optimising its remuneration in the short term but do not offer the prospect of sustainable business success. The LTI therefore includes success parameters from the areas 'environment', 'social' and 'governance' as what are known as ESG targets to the financial performance targets and also a strong focus on the share price. In the current Management Board employment contracts, the ESG targets include the 'diversity' target, which is aimed at achieving certain percentages of women at various company levels, as well as the 'climate impact' target, which seeks an increase in the share of renewable energy used by the HENSOLDT Group and a reduction in its CO₂ emissions.

Share-retention programme

Currently, the four-year build-up phase for the share-retention programme has not expired for any of the members of the Management Board who were in office in fiscal year 2025. Details of the share-retention programme are available in the remuneration system on the website of HENSOLDT at <https://investors.hensoldt.net>.

Remuneration granted and owed within the meaning of section 162 (1) sentence 1 German Stock Corporation Act (AktG)

The following tables show the total remuneration granted and owed individually to the members of the Management Board in office in the fiscal year 2025, in accordance with section 162 (1) sentence 1 AktG.

The remuneration is considered to be 'granted' for the year in which the activity to which the remuneration relates was fully performed. The term 'remuneration owed' refers to any remuneration that is legally owed but has not yet paid. In line with this earned entitlement interpretation, the STI amounts paid out for fiscal year 2025 and the LTI amounts for the 2022-2025 performance period are disclosed in the 2025 Remuneration Report because the activity for which the remuneration is granted has been performed in full by the end of fiscal year 2025 even though payment is not made until after the reporting year has ended.

Compensation payments are included insofar as they are already due in fiscal year 2025.

Active members of the Management Board as of 31 December 2025 (values in €)	Oliver Dörre (CEO)	in %	Christian Ladurner (CFO)	in %	Dr. Lars Immisch (CHRO)	in %
Annual basic remuneration	750,000	51%	436,800	40%	436,800	44%
Additional and other benefits	58,185	4%	21,147	2%	34,744	4%
Total fixed remuneration	808,185	54%	457,947	42%	471,544	48%
STI annual bonus 2025	676,000	46%	340,704	31%	340,704	35%
LTI bonus tranche 2022-2025	–	–%	300,000	27%	170,000	17%
Total remuneration granted and owed in the fiscal year 2025	1,484,185	100%	1,098,651	100%	982,248	100%

The heirs of Dr. Lars Immisch will receive a one-time payment of €1,528,800 in 2026 after his departure as a member of the Management Board on 31 December 2025.

Members of Management Board who resigned before fiscal year 2025 (Values in €)	Axel Salzmann	Peter Fieser	Thomas Müller	Celia Pelaz Perez
Annual basic remuneration	–	–	–	–
Additional benefits and other benefits	–	–	–	–
Total fixed remuneration	–	–	–	–
STI annual bonus 2025	–	–	–	–
LTI bonus tranche 2022-2025	600,000	800,000	1,300,000	680,000
Total remuneration granted and owed in the fiscal year 2025	600,000	800,000	1,300,000	680,000

Review of the maximum amount of remuneration (cap)

The maximum amount of remuneration pursuant to section 87a (1), sentence 2, point 1 AktG shall include any and all remuneration components allocated for fiscal year 2025. The maximum remuneration for fiscal year 2025 must therefore also take into account the LTI tranche 2025-2028, the amount of disbursement of which is not fixed until the end of the fiscal year 2028. This means that the amount of all remuneration components allocated for fiscal year 2025 can only be determined after the end of the fiscal year 2028. In principle, the appropriateness of the potential payout amounts is ensured by limiting STI and LTI payouts to a maximum of 150% (STI) and 200% (LTI) of the individual target amount.

The relevant maximum cap for the total remuneration to be granted (sum of all amounts of remuneration spent for the relevant financial year, including the fixed annual salary, variable remuneration components, pension and additional payments) for the year 2022 was not exceeded for any member of the Management Board based on the calculation of the LTI tranche 2022-2025.

Granted or promised shares and share options

In accordance with the remuneration system, no shares or share options were granted or promised to incumbent members of the Management Board during the reporting year.

Retention (malus) and clawback

No use was made of the option to withhold or reclaim variable remuneration components.

Deviations from the remuneration system applicable to the Management Board

There were no deviations from the remuneration system of the Management Board in the reporting year.

Benefits promised or granted by a third party

In the reporting year, no benefits were promised or granted to any member of the Management Board by a third party with regard to their activities as a member of the Management Board.

Commitments in connection with contract terminations

Commitments in the event of premature termination of employment from previous years

The appointment of Dr Lars Immisch as a member of the HENSOLDT AG Management Board was terminated prematurely by mutual agreement with effect from 31 December 2025. The employment contract is to be terminated prematurely on 31 March 2026. The contractual entitlements arising from the service contract ended following the death of Dr. Lars Immisch on 30 January 2026.

To satisfy the claims for the period from the agreed termination date of 31 March 2026 until the regular end of his appointment and his employment contract on 30 April 2029, a compensation payment of €1,528,800.00 gross was agreed with Dr Lars Immisch, payable within 7 days of his Management Board service contract ending on 6 February 2026. The STI bonus for fiscal year 2025 will be determined and paid in 2026 to his heirs. Dr. Lars Immisch is not entitled to payment of an STI annual bonus or LTI bonus for the period from 1 January 2026 to 31 January 2026. The LTI bonus for fiscal years 2022 (tranche 2022-2025), 2023 (tranche 2023-2026), 2024 (tranche 2024-2027) and 2025 (tranche 2025-2028) will be calculated after the end of the four-year assessment period and paid out in the years 2026 to 2029 to his heirs.

The LTI bonus for Peter Fieser (member of the Management Board until 30 September 2022; thereafter employee of the company until 31 December 2022) for fiscal years 2021 and 2022 was or is being determined and paid out after the end of the four-year measurement period in 2025 and 2026.

The LTI bonus for Axel Salzmann (member of the Management Board until 30 June 2022) for fiscal years 2021 and 2022 (for 2022 pro rata) was or is being determined and paid after the end of the four-year measurement period in 2025 and 2026.

The LTI bonus for Thomas Müller (Member of the Management Board until 31 March 2024) for the fiscal years 2021, 2022, 2023 and 2024 was or is being determined and paid out after the end of the four-year assessment period in the years 2025 to 2028.

The LTI bonus for Celia Pelaz Perez (member of the Management Board until 31 August 2024) for the fiscal years 2021 (pro rata), 2022, 2023 and 2024 was or is being determined and paid out after the end of the four-year assessment period in the years 2025 to 2028.

Pension benefits

Even though the past service cost for occupational retirement provision is not classified as remuneration granted and owed, it is also shown in the following tables for reasons of transparency.

The company pension commitments contractually agreed with the members of the Management Board are granted in the form of a direct commitment and comply with the requirements of the remuneration system, which is described on the website of HENSOLDT at <https://investors.hensoldt.net>. The pension benefits presented below also include commitments to the members of the Management Board prior to their appointment from previous activities at the HENSOLDT Group.

Active members of the Management Board as of 31 December 2025 (values in €)	Pension plans		Deferred compensation	
	Commitments 31 Dec. 2025 (accumulated)	Service cost in 2025	Commitments 31 Dec. 2025 (accumulated)	Service cost in 2025
Oliver Dörre	257,194	84,514	–	–
Christian Ladurner	406,240	110,455	–	–
Dr. Lars Immisch	299,180	110,125	–	–

Members of Management Board who resigned before fiscal year 2025 (Values in €)	Pension plans		Deferred compensation	
	Commitments 31 Dec. 2025 (accumulated)	Service cost in 2025	Commitments 31 Dec. 2025 (accumulated)	Service cost in 2025
Peter Fieser	668,947	–	1,086,312	–
Thomas Müller	1,610,904	–	–	–
Celia Pelaz Perez	540,908	–	13,800	–

Of the members of the Management Board who resigned, Thomas Müller received retirement pension in the reporting year in the amount of €94,302. The commitment to Axel Salzmann was settled in the current fiscal year with a one-off payment of €1,098,937.

2 Remuneration of the members of the Supervisory Board

2.1 Remuneration system for the members of the Supervisory Board

The remuneration rules set out in the articles of association and the remuneration system for the members of the Supervisory Board were last adjusted in 2024, effective for that fiscal year, submitted to the Annual General Meeting on 17 May 2024 for voting and approved by a majority of 99.88% of the valid votes cast.

In fiscal year 2025, the remuneration system applied to all active and resigned members of the Supervisory Board. The remuneration of the members of the Supervisory Board is regulated in section 12 of the articles of association of HENSOLDT AG.

According to the articles of association, the fixed annual remuneration of each Supervisory Board member amounts to €50,000. The chair of the Supervisory Board receives €120,000 and the vice chair receives €70,000. For their work on the Presidial Committee, Audit Committee or Compliance Committee, the members receive additional fixed remuneration

amounting to €15,000. The chairs of these committees receive €25,000 each. For work performed on the Nomination Committee, members receive additional fixed remuneration of €10,000 while the chair receives €20,000.

No remuneration is paid for working on other committees.

The maximum remuneration for Supervisory Board members is provided for in section 12 (3) in the articles of association: in accordance with section 12 (1) of the articles of association, this totals twice the amount of the annual remuneration of the Supervisory Board members. Supervisory Board members who are only members of the Supervisory Board or a committee or are chair of a committee for part of the fiscal year receive remuneration which is lower, proportionate to the time served. The remuneration is due four weeks after the end of each fiscal year.

The company reimburses the members of the Supervisory Board for expenses incurred in the performance of their duties, including any value-added tax payable on the reimbursement of expenses.

The company has taken out a liability insurance policy on behalf of the members of the Supervisory Board, which covers legal liability arising from their Supervisory Board activities.

The system for the remuneration of the members of the Supervisory Board provides for a purely fixed remuneration without performance-based variable components and without share-based remuneration. The Management Board and the Supervisory Board are of the opinion that purely fixed remuneration of the Supervisory Board members is best suited to reinforcing the independence of the Supervisory Board, to taking into account the advisory and supervisory function of the Supervisory Board, which is to be fulfilled independently of the company's success, and to avoiding potential misplaced incentives. The granting of fixed remuneration is also in line with the current predominant practice in other listed companies and the suggestion contained in G.18 sentence 1 of the German Corporate Governance Code (GCGC). The amount and structure of the Supervisory Board remuneration is in line with the market. It enables the company to attract and retain outstandingly qualified candidates with valuable, industry-specific knowledge for the Supervisory Board. This is a prerequisite for the best possible performance of the advisory and supervisory activities by the Supervisory Board and contributes significantly to the promotion of the business strategy and the long-term development of the HENSOLDT Group.

More details regarding the remuneration system can be found on the website of HENSOLDT at <https://investors.hensoldt.net>.

2.2 Remuneration of the members of the Supervisory Board in fiscal year 2025

The following table shows the remuneration granted and owed to current and former members of the Supervisory Board in fiscal year 2025 within the meaning of section 162 of the German Stock Corporation Act (AktG). The remuneration earned in 2025 is reported as the remuneration granted in the reporting period within the meaning of section 162 AktG.

in €	Fixed remuneration	in %	Committee remuneration	in %	Granted and owed remuneration in 2025
Active members of the Supervisory Board as of 31 December 2025					
Reiner Winkler (Chair)	120,000	73%	45,000	27%	165,000
Armin Maier-Junker ^{1,2} (Vice Chair)	70,000	82%	15,000	18%	85,000
Dr. Jürgen Bestle ^{1,2}	50,000	63%	30,000	38%	80,000
Jürgen Bühl ¹	50,000	77%	15,000	23%	65,000
Marco R. Fuchs	50,000	83%	10,000	17%	60,000
Achim Gruber ^{1,2}	50,000	77%	15,000	23%	65,000
Ingrid Jägering	50,000	59%	35,000	41%	85,000
Marion Koch ^{1,2}	50,000	77%	15,000	23%	65,000
Raffaella Luglini	50,000	77%	15,000	23%	65,000
Giuseppe Panizzardi	50,000	56%	40,000	44%	90,000
Julia Wahl ¹	50,000	77%	15,000	23%	65,000
Hiltrud D. Werner	50,000	56%	40,000	44%	90,000

¹ Representative of the employees

² Employees of HENSOLDT AG or one of the Group companies

No deviations from the remuneration system of the Supervisory Board occurred in the fiscal year.

3 Multiple-year overview: Information on the development of Management Board and Supervisory Board remuneration in relation to the remuneration of the rest of the workforce and the development of the results of operations of the HENSOLDT Group

Pursuant to section 162 (1) sentence 2 no. 2 AktG, the following overview presents the relative development of the remuneration granted and owed to members of the Management Board and Supervisory Board in the respective fiscal year in accordance with what is presented in the tables under 1.2 and 2.2 in comparison to the average remuneration of the employees on a full-time equivalent basis as well as selected key earnings figures of the HENSOLDT Group.

For the presentation of the Group's earnings situation, those key figures are used for which HENSOLDT AG issued a forecast in the past fiscal year, as well as the key figures that form the basis for short-term remuneration relating to the Management Board. In addition, the net profit or loss for the year from the individual Financial Statements of HENSOLDT AG according to the German Commercial Code (HGB) is included in the comparison.

For the presentation of the average remuneration of the employees, the gross taxable amount for employees covered by collective agreements and non-tariff employees on the basis of full-time equivalence (excluding apprentices, trainees, etc.) is used, insofar as this exceeds €4,000 per year. This is based on the workforce of HENSOLDT AG and the following German subsidiaries of HENSOLDT AG: HENSOLDT Optronics GmbH, HENSOLDT Holding Germany GmbH and HENSOLDT Sensors GmbH and, from 2025, ESG GmbH.

Remuneration granted and owed acc. to section 162 AktG in €	Fiscal Year		% Delta
	2025	2024	
Management Board remuneration			
Active members of Management Board			
Oliver Dörre (Chair)	1,484,185	1,662,328	-10.7%
Christian Ladurner	1,098,651	804,438	36.6%
Dr. Lars Immisch	982,248	819,365	19.9%
Members of Management Board who resigned before fiscal year 2025 (in €)			
Thomas Müller (Chair until 31 March 2024)	1,300,000	1,609,868	-19.2%
Celia Pelaz Perez (until 31 August 2024)	680,000	946,627	-28.2%
Axel Salzmann (until 30 June 2022)	600,000	1,200,000	-50.0%
Peter Fieser (until 30 September 2022)	800,000	800,000	–

Remuneration granted and owed acc. to section 162 AktG in €	Fiscal Year		% Delta
	2025	2024	
Supervisory Board remuneration			
Active members of Supervisory Board			
Reiner Winkler (Chair)	165,000	165,000	–%
Armin Maier-Junker ^{1,2} (Vice Chair)	85,000	85,000	–%
Dr. Jürgen Bestle ^{1,2}	80,000	80,000	–%
Jürgen Bühl ¹	65,000	65,000	–%
Raffaella Luglini	65,000	31,250	108.0%
Achim Gruber ^{1,2}	65,000	65,000	–%
Ingrid Jägering	85,000	85,000	–%
Marion Koch ^{1,2}	65,000	65,000	–%
Julia Wahl ¹	65,000	65,000	–%
Hiltrud D. Werner	90,000	90,000	–%
Marco R. Fuchs	60,000	60,000	–%
Giuseppe Panizzardi	90,000	90,000	–%
Resigned members of Supervisory Board			
Letizia Colucci (until 31 May 2024)	–	27,083	-100.0%

¹ Representative of the employees

² Employees of HENSOLDT AG or one of the group companies

Key earnings figures in € million	Fiscal Year		
	2025	2024	% Delta
Net income / loss (annual financial statement acc. to German Commercial Code)	163	22	> 200 %
Profit / Loss (Group)	86	106	18.3%
Revenue (Group)	2,455	2,240	9.6%
EBITDA (Group) ¹	452	405	11.7%
Order intake (Group)	4,710	2,904	62.2%
Free cashflow (Group) ²	347	249	39.3%

¹ Key figure adjusted for special items as per reconciliation in section II Economic Report 3.1 Results of Operations in the Combined Management Report for the fiscal year ended on 31 December 2025.

² Key figure adjusted for special items and M&A activities as per reconciliation in section II Economic Report 3.3 Financial Situation in the Combined Management Report for the fiscal year ended on 31 December 2025.

Workforce information	Fiscal Year				
	2025	2024	2023	2022	2021
Employee remuneration in €	101,077	96,724	94,036	91,946	91,218
Change compared to previous year in %	4.5%	2.9%	2.3%	0.8%	

Note: This is a translation of the German original. Solely the original text in German language is authoritative.

VII Independent Auditor's Report on the audit of the remuneration report

To HENSOLDT AG, Taufkirchen, District of Munich

Report on the audit of the remuneration report

We have audited the attached remuneration report of HENSOLDT AG, Taufkirchen, District of Munich, for the financial year from January 1 to December 31, 2025, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Management Board and the Supervisory Board

The management and the Supervisory Board of HENSOLDT AG are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with the German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts, including the related disclosures, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from January 1 to December 31, 2025, including the related disclosures, complies in all material respects with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, which we fulfilled by rendering the aforementioned services to HENSOLDT AG, are set out in the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German

Public Auditors and Public Audit Firms] as amended on 1 January 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Munich, 25 March 2026

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Hanshen
Wirtschaftsprüfer
[German Public Auditor]

Schieler
Wirtschaftsprüfer
[German Public Auditor]

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Detect and Protect

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