KHD HUMBOLDT WEDAG

Innovation by tradition

Half-Year Financial Report

2026

CEMENT BEYOND CARBON

khd.com

Summary of the First Half-Year 2026

- Order intake of € 135.0 million driven by the sales regions India and Americas
- Adjusted gross profit and operating result (adjusted EBIT) considerably higher than the figures for the previous year's period
- Solid equity and liquidity position

Key Figures at a Glance

in € million	Jan. 1 - June 30, 2026	Jan. 1 - June 30, 2025	Deviation absolute	Deviation in %
Order intake	135.0	49.3	85.7	173.8%
Revenue	115.3	82.7	32.6	39.4%
Adjusted gross profit	24.1	19.8	4.3	21.8%
Adjusted gross profit margin	*20.9%*	*23.9%*		
Adjusted EBIT	6.8	1.7	5.1	307.0%
Adjusted EBIT margin	*5.9%*	*2.0%*		
EBT	9.5	5.1	4.5	88.5%
Group net result for the period	6.6	3.0	3.6	119.5%
EPS (in €)	0.13	0.06	0.07	119.5%
Operating cash flow	7.1	18.1	-11.0	
Cash flow from investing activities	24.4	9.3	15.1	
Cash flow from financing activities	-0.9	-1.2	0.3	
in € million	**June 30, 2026**	**Dec. 31, 2025**	**Deviation absolute**	**Deviation in %**
Equity	111.3	105.7	5.6	5.3%
Equity ratio (in %)	*41.8%*	*42.2%*		
Cash, bank deposits and intercompany loans *	155.3	149.2	6.1	4.1%
Net working capital **	-54.4	-53.7	-0.7	1.2%
Order backlog	235.9	210.4	25.5	12.1%
Employees	1,140	1,016	124	12.2%

* Including intercompany loan of € 60 million (previous year: € 60 million) with entitlement to call for early repayment by giving 30 days' notice

** Balance of current assets (less cash and cash equivalents and bank deposits as well as current loans granted) and current liabilities (less current borrowings)

Please note that rounding differences may result from the use of rounded amounts and percentages in accordance with commercial rounding practices.

For the sake of readability, KHD occasionally uses grammatically masculine terms to refer to people in this report. These terms generally apply equally to all genders.

MANAGEMENT REPORT REGARDING THE INTERIM GROUP FINANCIAL STATEMENTS AS OF JUNE 30, 2026

FUNDAMENTAL GROUP PRINCIPLES

KHD Humboldt Wedag International AG (hereinafter also referred to as “KHD” or the “Group”) made no fundamental changes to its business model, strategy, or management system (see combined management report of December 31, 2025, p. 15 et seq.) during the first half-year 2026.

Management and Supervision

Mr. Martin Strouhal was appointed to the Management Board effective January 1, 2026. Until July 31, 2026, his responsibilities as Chief Sales Officer included, in particular, the further optimization of sales activities. Dr. Matthias Jochem resigned from the Management Board effective July 31, 2026. Since August 1, 2026, his duties as Chief Operating Officer have been added to the responsibilities of Mr. Martin Strouhal in addition to his previous duties.

By a resolution passed by the Annual General Meeting on May 22, 2026, the Supervisory Board was expanded from four to five members. The Annual General Meeting elected Ms. Runlan Wang as an additional member of the Supervisory Board. Since the amendment to the articles of association on May 27, 2026, Ms. Wang is a member of the Supervisory Board. Ms. Wang was elected Chair of the Supervisory Board in the constitutive meeting on June 24, 2026.

Objectives and Strategies

In 2026 the strategic focus of KHD remains on implementing the following five initiatives:

1. Benefiting from the “green transition”;
2. Go China/India and improving the presence in selected markets;
3. EPC (Engineering, Procurement, Construction) with strategic partners;
4. Expansion of the service portfolio and digitalization;
5. Improvement of competitiveness on the cost side and excellence in execution;

The five fields of action are closely interrelated and, when implemented successfully, ensure the KHD Group’s future viability. We are collaborating closely with AVIC Beijing, especially where the Go China initiative and the implementation of our EPC concept are concerned.

Management and Control System

Management, monitoring, and reporting within the Group continue to be based on the financial indicators listed below. With respect to the basic determination and calculation of these financial performance indicators, reference is made to the combined management report of December 31, 2025, page 20 et seq.

The significant performance indicators of the Group are:

- Order intake and order backlog;
- Group revenue;
- Adjusted Group earnings before interest and taxes (adjusted EBIT) as well as the ratio to revenue (adjusted EBIT margin);
- Operating cash flow.

For Group management purposes, KHD adjusts EBIT as necessary with regard to special items. Adjusted EBIT is determined in the reporting period as follows:

in € million	Jan. 1-June 30, 2026	Jan. 1-June 30, 2025
EBIT prior to adjustments	6.1	1.7
Under-utilization of capacity	0.8	0.0
Adjusted EBIT	**6.8**	**1.7**

ECONOMIC REPORT

Market Environment

According to the outlook of the International Monetary Fund (IMF World Economic Outlook April 2026[1]) the global economy grew by 2.9% in 2025. The growth was supported by robust demand and resilient labor markets in particular, but remained below the long-term average due to political trade tensions, increased customs duties, and geopolitical uncertainties. The International Monetary Fund forecasts growth in the global economy of 3.0 % for 2026 and growth of 3.4 % for 2027. The explanation for the slight improvement starting in 2027 includes the general stabilization of the global economy, more robust demand for advances in technology, and a decrease, in part, in the strains due to war and trade tensions.

An analysis by CW Research ("Global Cement Volume Forecast Report 1H2026"[2]) predicts that cement consumption will increase by 1.0% to a level of 3.78 billion tons in total in 2026. If China is disregarded, growth of 4.0% is forecast for 2026. CW Research expects that global cement demand will grow by an average of 2.5% per year between 2025 and 2030. If China is not taken into account, however, an average annual growth in cement consumption of 4.2% is forecast.

For most regions, CW Research expects positive growth for 2026. A 3.0% increase in demand is expected for North America, 3.8% for Latin America, 4.2% for the Middle East, 4.0% for Africa, and 5.3% for Asia (disregarding China). In contrast, a decrease in cement demand of 2.5% is expected for China.

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[1] Retrieved on July 22, 2026, at: https://www.imf.org//media/files/publications/weo/2026/april/english/text.pdf
[2] CW Research: Global Cement Volume Forecast Report (GCVFR), 1H2026 update, Ridgefield: CW Group LLC

Although the investment tendency of our customers and the financing options available to them for investment projects are still not fully satisfactory, the major factors for a future increase in cement consumption remain positive as before. The increase in population, the need for additional housing, infrastructure projects, increasing industrialization, and last, but not least, the higher purchasing power of consumers in emerging and developing countries will contribute to an increase in cement consumption in the medium term.

Altogether, there is an unsatisfactory demand for our traditional service portfolio. In the future the need for traditional limestone clinker will decrease by 50% or more compared with the previous demand. Furthermore, some traditional KHD markets (such as Russia) are currently inaccessible to us because of sanctions and supply bottlenecks. China has considerable overcapacity and in many other markets there is still only limited demand for new kiln lines. Accordingly, the price pressure from Chinese competitors regarding new projects remains nearly everywhere in the world. Furthermore, with the exception of India and the USA, projects are mostly awarded as EPC contracts based on the lowest price. For this reason, for the medium and long-term development of KHD, our products and concepts for reducing carbon emissions that offer our customers a significant contribution to the path toward decarbonization are of paramount importance. Moreover, the KHD Group has good business opportunities in increasing cement plant efficiency, reducing energy consumption, using alternative fuels, and paying greater attention to environmental issues, as well as in the area of niche products.

Overall Assessment of the Economic Situation

The economic development of the Group for the first half-year 2026 exceeded our outlook published in March regarding revenue, the operating result (adjusted EBIT) and the Group earnings before taxes (EBT).

In the first half-year 2026, order intake (€ 135.0 million) was well above the level of the previous year (€ 49.3 million). However, we continue to expect that order intake for the entire year will remain below the level of the 2025 financial year.

The revenues totaled € 115.3 million, 39.4% above the value of the first six months of the 2025 financial year (€ 82.7 million). For the entire year, revenue about 20% above the previous year was planned. The adjusted gross profit increased from € 19.8 million in the previous year to € 24.1 million in the reporting period. The gross profit margin once again reached a very good figure of 20.9%. For adjusted EBIT, the KHD Group achieved € 6.8 million in the first half-year 2026, following a figure of € 1.7 million in the first six months of the previous year. In the first six months of the ongoing financial year, earnings before taxes (EBT) amounted to € 9.5 million (previous year: € 5.1 million). As already explained with the publication of the modified earnings forecast, our current planning for the 2026 financial year indicates adjusted EBIT of more than € 10 million and EBT above € 15 million.

The cash flow from operating activities totaled € 7.1 million in the first six months (previous year: € 18.1 million).

Business Development

Order intake reached a value of € 135.0 million in the first half-year 2026 (previous year: € 49.3 million). Along with the sales region India, the sales region Americas made a significant contribution to order intake.

Order intake of € 115.2 million in the Capex segment in the first half-year 2026 significantly exceeded the figure attained in the first half-year 2025 (€ 24.7 million). In contrast, order intake in the Plant Services segment of € 19.8 million during the reporting period was below the figure of the comparative period of the previous year (€ 24.6 million). The spare parts and services business contributed 14.7% to the overall order intake (previous year: 50.0%).

The order backlog as of June 30, 2026, (€ 235.9 million) exceeded the value as of December 31, 2025 (€ 210.4 million). Effects of exchange rate fluctuations, which are reported as an adjustment to order backlog, amounted to € -4.3 million (previous year: € -14.2 million).

Group Earning Situation

Our revenues of € 115.3 million were € 32.6 million above the figure of the previous year's period (€ 82.7 million). With a 39.4% increase in revenues compared with the previous year, the adjusted gross profit for the first half-year 2026 of € 24.1 million was above the level of the previous year (€ 19.8 million). The adjusted gross profit margin decreased from 23.9% to 20.9%. Taking costs for under-utilizing capacity of € 0.8 million into consideration, gross profit reached € 23.3 million in the first half-year 2026.

Sales expenses of € 6.9 million were about 9.1% above the level of the first six months of the previous year (€ 6.3 million) and reflect the expansion of our activities in selected markets. The general and administrative expenses of € 7.6 million were slightly below the level of the previous year (€ 8.3 million). The other expenses of € 3.8 million were lower than the previous year's level (€ 4.6 million). This is primarily due to decreased research and development expenses (€ 2.7 million; previous year: € 3.8 million). In addition, the other expenses also contain expenses from exchange rate fluctuations amounting to € 0.9 million (previous year: € 0.8 million).

Adjusted earnings before interest and taxes (EBIT) amounting to € 6.8 million were considerably above the previous year (€ 1.7 million). The adjusted EBIT margin increased from 2.0% in the previous year to 5.9% in the reporting period. EBIT totaled € 6.1 million.

KHD generated a financial result amounting to € 3.5 million, after € 3.4 million in the comparable period of the previous year. The finance income of € 3.9 million (previous year: € 3.7 million) includes, among other things, interest income amounting to € 1.2 million (previous year: € 1.5 million) from the loan extended to AVIC International Kairong Limited ("AVIC Kairong"), Hong Kong. The finance expenses of € 0.4 million (previous year: € 0.3 million) essentially include interest expenses connected with pension provisions amounting to € 0.2 million (previous year: € 0.2 million).

The first half-year 2026 concluded with a net profit of € 6.6 million for the period. In the previous year's period, Group net profit amounted to € 3.0 million. Basic and diluted earnings per share totaled € 0.13 (previous year: € 0.06).

Segment Earnings Situation

Revenue in the Capex segment in the first half-year 2026 reached € 89.5 million, which was considerably above the previous year's figure (€ 57.5 million). The revenue in the Plant Services segment (€ 25.7 million) was slightly above the previous year's figure (€ 25.2 million). The Plant Services segment made up 22.3 % of overall revenues (previous year: 30.5%).

The adjusted gross profit in the Capex segment improved to € 17.6 million (previous year: € 11.8 million). The adjusted gross profit margin in this segment decreased to 19.7% (previous year: 20.6%). The Plant Services segment generated a gross profit of € 6.5 million, which did not reach the level of the previous year (€ 7.9 million). The gross profit margin (25.4%) was considerably lower than that of the previous year (31.6%).

In the first six months of the reporting year, the Capex segment achieved a significantly improved adjusted EBIT of € 3.0 million, following € -3.5 million in the previous year, and it was considerably higher than the figure in the original planning. The EBIT in the Plant Services segment decreased during the first half-year 2026 to € 3.9 million, following a figure of € 5.2 million in the comparative period of 2025.

Financial Position and Net Assets

Financial Position

The total cash and cash equivalents increased significantly in the first half-year 2026 by € 30.8 million, from € 30.9 million as of December 31, 2025, to € 61.7 million as of June 30, 2026. As of the balance sheet date, fixed-term deposits with a term of more than three months amounting to € 33.6 million (December 31, 2025: € 58.3 million) are shown as "other financial assets."

For details regarding operating cash flow, see the following table:

Cash flow from operating activities for the first half-year 2026	**in € thousand**
Cash flow from customer contracts with revenue recognition over time	17,546
Cash flow from current liabilities / invoices from subcontractors	(8,034)
Cash flow from changes in trade receivables	(9,678)
Cash flow from changes in provision and long-term liabilities	449
Cash inflow from result (EBITDA)	7,726
Cash flow from tax payments made / received	(4,672)
Other cash inflows and outflows	3,805
Cash flow from operating activities	**7,142**

Cash flow from investing activities of € 24.4 million was significantly above the previous year's figure (€ 9.3 million) and included, in particular, cash inflows of € 24.7 million from fixed-term deposits with a term of more than three months, in addition to interest payments received for the loans granted to AVIC Kairong (€ 1.2 million). Cash flow from financing activities amounted to € -0.9 million in the reporting period, following € -1.2 million in the previous year.

Taking the effects of currency exchange rates in the amount of € 0.2 million (previous year: € -6.9 million) into consideration, unrestricted cash and cash equivalents as of June 30, 2026 totaled € 61.7 million (December 31, 2025: € 30.9 million).

Net Assets

KHD's total assets as of June 30, 2026 (€ 266.6 million) were above the level at the end of 2025 (€ 250.6 million). To that end, the non-current assets of the Group as of June 30, 2026 amounted to € 89.4 million (December 31, 2025: € 88.2 million) and essentially contained a loan for € 60.0 million extended to AVIC Kairong, property, plant, and equipment (€ 16.0 million; December 31, 2025: € 15.4 million); rights of use in accordance with IFRS 16, "Leases" (€ 9.0 million; December 31, 2025: € 7.5 million) as well as goodwill (€ 2.1 million; December 31, 2025: € 2.1 million).

The current assets totaled € 177.2 million as of June 30, 2026 (December 31, 2025: € 162.4 million). The inventory decreased from € 11.8 million to € 6.4 million. The contract assets decreased from € 4.2 million at the end of 2025 to € 3.4 million. In contrast, trade and other receivables increased by € 13.8 million, from € 44.9 million as of December 31, 2025 to € 58.7 million. The other financial assets decreased primarily due to the reduction of fixed-term deposits with a term of more than three months from € 60.2 million to € 36.3 million. In contrast, cash and cash equivalents increased from € 30.9 million at the end of 2025 to € 61.7 million as of June 30, 2026.

Financing

On the liabilities side, non-current liabilities increased slightly compared with December 31, 2025, from € 18.0 million to € 19.0 million. This is essentially attributable to higher lease liabilities.

Current liabilities at the end of the first half-year 2026 (€ 136.3 million in total) were above the figure as of December 31, 2025 (€ 127.0 million). The increase was primarily due to the increase in contract liabilities and advance payments of € 48.6 million as of the end of 2025 to € 73.1 million currently. In contrast, trade and other payables decreased to € 37.4 million (December 31, 2025: € 51.5 million).

The net working capital – the difference between current assets (less cash and cash equivalents, current financial investments, and current loan receivables) and current liabilities (less short-term bank loans) – of € -54.4 million continues to remain at a good level compared with the figure as of December 31, 2025 (€ -53.7 million).

Equity amounted to € 111.3 million and therefore was above the figure as of December 31, 2025 (€ 105.7 million). The primary reason for this increase was the rise in retained earnings (€ 23.5 million; December 31, 2025: € 16.9 million) because it contains the Group net result of the first half-year 2026 of € 6.6 million. Due to the increase in the total assets, the excellent equity ratio declined slightly from 42.2% as of December 31, 2025, to 41.8%.

Non-Financial Performance Indicators

Non-financial performance indicators mainly include employee development, customer satisfaction, the impact of our products on the environment, product quality, and individual employee-related performance indicators.

Target achievement in relation to non-financial performance indicators is measured with the help of various instruments, such as annual employee appraisal, or the measuring of emissions values and energy consumption of individual products. Value-oriented management in the KHD Group means that, for example, customer satisfaction and the minimization of our products' impact on the environment are more important than short-term profit maximization.

The expenses for research and development in the KHD Group were € 2.7 million in the first half-year 2026 (previous year: € 3.8 million). This figure, which continues to remain high, emphasizes the importance of targeted research and development of KHD technology for cement plants. Crucial topics include further developing environmentally friendly products and solution concepts, with a particular emphasis on energy efficiency and emissions reduction, as well as using alternative fuels in cement plants. An especially important goal is to continue minimizing the carbon footprint associated with cement production. Moreover, improving individual plant components (mainly in order to make cement production plants more efficient) is an ongoing subject of research and development.

The KHD Group had a headcount of 1,140 (excluding trainees) at the end of June 2026 (end of 2025: 1,016). The targeted increases in headcount primarily results from the group company in India.

REPORT ON EVENTS AFTER THE REPORTING PERIOD

There were no substantial developments or events of particular significance after the balance sheet date of June 30, 2026.

RISK AND OPPORTUNITIES REPORT

KHD's approach to risk management ensures that changes in the risk position are promptly identified. To the extent required, balance sheet provisions are set up for specific risks. The risks identified do not pose a threat to the KHD Group as a going concern, neither individually nor in combination. As of the date of this half-year report, there has been no significant change in the assessment of risks and opportunities in comparison with the 2025 balance sheet date. For a detailed description of the risks and opportunities, please refer to the relevant section in the Group's combined management report as of December 31, 2025 (page 37 et seq. of the Group Annual Report).

OUTLOOK

In its analysis ("Global Cement Volume Forecast Report 1H2026 update"), CW Research forecasts an annual growth rate of 2.5% for global cement demand for the years from 2025 to 2030. Without taking China into consideration, growth for the years from 2025 to 2030 is forecast at an annual average of 4.2%.

As indicated previously in the ad hoc disclosure published on August 4th, KHD has adjusted the outlook provided in the 2025 annual report for the 2026 financial year regarding revenues as well as adjusted EBIT and adjusted EBIT margin.

Order intake for the 2026 financial year continues to be planned at a figure that is about 10% below the level of the 2025 financial year (€ 258 million). Revenue in the 2026 financial year will be about 30 % above the figure for the 2025 financial year. For several projects, significant reductions in the total estimated costs were realized after successful performance test or already during project execution. Moreover, reversals of some established risk provisions affected net income. Due to good project execution, the gross profit margin improved. According to our updated planning for the 2026 financial year, we expect adjusted EBIT of more than € 10 million and EBT above € 15 million. For the operating cash flow, KHD continues to expect a negative value in the single-digit millions euro range in the 2026 financial year, which is unchanged from the outlook in March 2026.

In accordance with our budget, the financial and net assets position of KHD in the 2026 financial year will remain stable and will not change significantly in comparison with the 2025 financial year. The continuing, sufficient liquidity situation and the high equity ratio provide KHD with the flexibility needed to cope with difficult market phases. In this way, KHD has the necessary prerequisites to implement our strategy successfully, to develop our portfolio of products and services continuously, and to make the most of opportunities for internal and external growth.

Opportunities and Risks Relating to the Outlook for the Second Half-Year 2026

While the risk management system is, in principle, oriented toward the medium and long term, during the planning process special consideration is given to the opportunities and risks that can have an effect within the forecast period. Due to the special characteristics of long-term plant engineering, risks and opportunities can also lead to significant deviations from planned figures, even in the case of short-term forecasts.

There are risks, but also significant opportunities with regard to the predicted figures for order intake, particularly in the Capex segment. The awarding of individual large projects to KHD can significantly affect the order intake in the second half of the 2026 financial year. Despite close collaboration with customers during the tendering process, customer investment decisions and the awarding of individual projects to the KHD Group can only be forecast with substantial uncertainty, which can lead to either higher or lower order intake.

The revenue and earnings forecast is mainly based on order backlog in the Capex segment and on the planning of business in the Plant Services segment, which is significantly less cyclical. The risks and opportunities relating to the planned revenue and earnings figures are nevertheless significant in the second half-year of the 2026 financial year as well, since delays or accelerations in project execution, postponement of awarding projects included in the planned order intake, and unexpected changes in the results of specific projects can affect these figures.

Cologne, Germany, August 14, 2026

The Management Board

(s) Xiang Heng (Chairman)	(s) Jürgen Luckas	(s) Martin Strouhal

CONDENSED INTERIM GROUP FINANCIAL STATEMENTS

Group Balance Sheet of KHD Humboldt Wedag International AG, Cologne, as of June 30, 2026

ASSETS	June 30, 2026	Dec. 31, 2025
in € thousand		
Non-current assets		
Property, plant and equipment	15,969	15,397
Goodwill	2,127	2,127
Other intangible assets	757	823
Right of use	9,024	7,541
Trade and other receivables	-	95
Other financial assets	60,000	60,000
Future Income Tax Assets	1,557	2,242
Total non-current assets	**89,434**	**88,225**
Current assets		
Inventories	6,402	11,801
Contract assets	3,387	4,220
Trade and other receivables	58,683	44,927
Payments made in advance	9,207	9,597
Other financial assets	36,310	60,180
Income tax assets	1,507	784
Cash and cash equivalents	61,663	30,862
Total current assets	**177,159**	**162,371**
Total assets	**266,593**	**250,596**

EQUITY AND LIABILITIES	**June 30, 2026**	**Dec. 31, 2025**
in € thousand		
Equity		
Subscribed capital	49,704	49,704
Capital reserves	61,097	61,097
Currency translation differences recognized in equity	(23,519)	(22,544)
Retained earnings	23,524	16,893
Shares of equity attributable to shareholders of the parent company	110,806	105,150
Non-controlling interests	505	504
Total equity	**111,311**	**105,654**
Non-current liabilities		
Lease liabilities	7,386	5,977
Pension benefit obligation	8,702	9,122
Provisions	2,920	2,857
Total non-current liabilities	**19,008**	**17,956**
Current liabilities		
Trade and other payables	37,438	51,518
Contract liabilities and advance payments received	73,085	48,639
Income tax liabilities	260	1,908
Provisions	25,491	24,921
Total current liabilities	**136,274**	**126,986**
Total equity and liabilities	**266,593**	**250,596**

Group Income Statement of
KHD Humboldt Wedag International AG, Cologne,
for the Period from January 1 to June 30, 2026

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Revenue	115,275	82,696
Cost of sales	(91,985)	(62,911)
Gross profit	**23,290**	**19,785**
Other operating income	1,046	1,117
Sales expenses	(6,877)	(6,301)
General and administrative expenses	(7,632)	(8,294)
Other expenses	(3,776)	(4,634)
Profit before interest and taxes (EBIT)	**6,051**	**1,673**
Finance income	3,862	3,700
Finance expenses	(366)	(308)
Net finance income	**3,496**	**3,392**
Profit before tax (EBT)	**9,547**	**5,065**
Income tax expense	(2,907)	(2,040)
Group net profit for the period	**6,640**	**3,025**
Of which are attributable to:		
Parent company shareholders	6,627	3,015
Non-controlling interests	13	10
	6,640	**3,025**

	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Net result attributable to shareholders (in € thousand)	6,627	3,015
Weighted average number of shares outstanding	49,703,573	49,703,573
Basic (undiluted) and diluted earnings per share (in €)	0.13	0.06

Group Statement of Comprehensive Income for KHD Humboldt Wedag International AG, Cologne, for the Period from January 1 to June 30, 2026

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Group net profit	**6,640**	**3,025**
Items that will be reclassified subsequently to profit or loss when specific conditions are met		
Currency translation differences	(975)	(7,619)
Other comprehensive income	**(975)**	**(7,619)**
Group comprehensive income	**5,665**	**(4,594)**
Of which attributable to:		
Parent company shareholders	5,652	(4,604)
Non-controlling interests	13	10
	5,665	**(4,594)**

As in the previous year, no income taxes on currency translation differences were applicable. As in the previous year, there are no deferred tax assets or liabilities related to actuarial gains and losses.

Group Statement of Cash Flows for KHD Humboldt Wedag International AG, Cologne, for the Period from January 1 to June 30, 2026

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Cash flow from operating activities		
Group net profit	6,640	3,025
Income tax expense recognized in the income statement	2,907	2,040
Net finance income recognized in the income statement	(3,496)	(3,392)
Earnings before interest and taxes (EBIT)	**6,051**	**1,673**
Amortization and depreciation of non-current assets	1,675	1,638
Book gain (-) / loss on disposal of fixed assets	(1)	-
Increase (-) / decrease in trade receivables and financial assets	(13,827)	11,227
Increase (-) / decrease in inventories and contract assets	6,232	13,640
Increase (-) / decrease in payments made in advance and other financial assets	(423)	(693)
Increase (+) / decrease in trade and other payables and contract liabilities and advance payments received	10,183	(2,683)
Increase (+) / decrease in pension benefit obligations	(600)	(687)
Increase (+) / decrease in provisions and non-current liabilities	629	(6,586)
Other non-cash-transactions	1,289	2,321
Other translation differences	(1,147)	(703)
Interest received	1,935	1,743
Interest paid	(182)	(101)
Income tax paid	(4,672)	(2,704)
Cash flow from operating activities	**7,142**	**18,085**
Cash flow from investing activities		
Dividends received	73	50
Cash outflow for intangible assets	(26)	(621)
Cash outflow for property, plant and equipment	(1,515)	(1,149)
Cash inflow from the disposal of property, plant and equipment	1	7
Interest payments received from loans granted to related companies	1,207	1,508
Disbursements due to investments in short-term deposits	24,684	9,467
Cash flow from investing activities	**24,424**	**9,212**

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Cash flow from financing activities		
Cash outflow for the redemption portion of lease liabilities	(925)	(1,234)
Dividends paid to parent company shareholders	(13)	(13)
Cash flow from financing activities	**(938)**	**(1,247)**
Change in unrestricted cash and cash equivalents	**30,628**	**26,100**
Opening balance of unrestricted cash and cash equivalents	30,862	59,877
Exchange rate effects	173	(6,916)
Closing balance of unrestricted cash and cash equivalents	**61,663**	**79,061**

in € thousand	June 30, 2026	June 30, 2025
Composition of unrestricted cash and cash equivalents		
Current bank accounts and cash	31,636	24,799
Short-term bank deposits	30,027	54,262
Total cash and cash equivalents	**61,663**	**79,061**
Closing balance of unrestricted cash and cash equivalents	**61,663**	**79,061**

Group Statement of Changes in Equity for KHD Humboldt Wedag International AG, Cologne, for the Period from January 1 to June 30, 2026

in € thousand	Subscribed capital	Capital reserves	Treasury shares	Currency translation differences recognized in equity	Retained earnings	Equity attributable to shareholders of the parent company	Non-controlling interests	Total
Dec. 31, 2024 / Jan. 1, 2025	**49,704**	**61,097**	**-**	**(12,498)**	**8,710**	**107,013**	**504**	**107,517**
Group net loss for the period	-	-	-	-	3,015	3,015	10	3,025
Currency translation differences	-	-	-	(7,619)	-	(7,619)	-	(7,619)
Group comprehensive income	**-**	**-**	**-**	**(7,619)**	**3,015**	**(4,604)**	**10**	**(4,594)**
Dividend payments	-	-	-	-	-	-	(13)	(13)
June 30, 2025	**49,704**	**61,097**	**-**	**(20,117)**	**11,725**	**102,409**	**501**	**102,910**
Group net loss for the period	-	-	-	-	3,917	3,917	3	3,920
Actuarial gains and losses and other effects on the group comprehensive income	-	-	-	-	1,251	1,251	-	1,251
Currency translation differences	-	-	-	(2,427)	-	(2,427)	-	(2,427)
Group comprehensive income	**-**	**-**	**-**	**(2,427)**	**5,168**	**2,741**	**3**	**2,744**
Dec. 31, 2025 / Jan. 1, 2026	**49,704**	**61,097**	**-**	**(22,544)**	**16,893**	**105,150**	**504**	**105,654**
Group net loss for the period	-	-	-	-	6,627	6,627	13	6,640
Currency translation differences	-	-	-	(975)	-	(975)	-	(975)
Group comprehensive income	**-**	**-**	**-**	**(975)**	**6,627**	**5,652**	**13**	**5,665**
Other changes	-	-	-	-	4	4	1	5
Dividend payments	-	-	-	-	-	-	(13)	(13)
June 30, 2026	**49,704**	**61,097**	**-**	**(23,519)**	**23,524**	**110,806**	**505**	**111,311**

Notes to the Condensed Interim Group Financial Statements KHD Humboldt Wedag International AG, Cologne, as of June 30, 2026

1. Reporting Principles

Basis of Presentation

KHD Humboldt Wedag International AG ("KHD" or "Group") is one of the world's leading providers of equipment and services for cement producers. In its capacity as the ultimate holding company of the Group, KHD AG continues to hold a significant (100%) investment in KHD Humboldt Wedag GmbH ("KHD GmbH"), Cologne, Germany. The core business areas of the nine Group companies of KHD AG are industrial plant engineering and providing related services. The strategic and operational focus of the companies is on plant design and the supply of equipment for cement plants and providing a comprehensive range of services.

The condensed interim financial statements of KHD are prepared using uniform accounting and measurement principles. The condensed interim financial statements of KHD and of the subsidiaries that are included in the condensed interim Group financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and the related interpretations of the International Accounting Standards Board (IASB), as applicable pursuant to regulation No. 1606/2002 of the European Parliament and Council concerning the application of International Accounting Standards in the EU for interim financial reporting. In accordance with IAS 34, this condensed interim report does not contain all of the information and notes to the financial statements that the IFRS requires for consolidated financial statements at the end of a financial year.

These condensed interim Group financial statements and the Group management report for the first half-year 2026 were neither audited pursuant to Section 317 of the German Commercial Code (HGB) nor were they subjected to an auditor's review.

These condensed interim financial statements of the Group have been prepared in euro. All amounts, including figures used for comparison, are stated in thousands of euros (€ thousand). All amounts have been rounded in accordance with standard commercial practice.

The accounting and measurement methods applied in these condensed interim financial statements are consistent with those applied as of December 31, 2025, unless changes are described. The methods are described in detail in KHD's Group Annual Report on the IFRS consolidated financial statements as of December 31, 2025, on page 66 et seq.

Applying New or Revised International Financial Reporting Standards

In the reporting period, the Group applied all the standards of the International Accounting Standards Board (IASB) and all the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), the application of which is mandatory, provided that the standards and interpretations have already been endorsed by the European Union (EU).

Initial Application of Recently Published Standards

The following rules and amendments in EU law were adopted in the first half-year 2026:

- Amendments to IFRS 7: Amendments regarding the classification and measurement of financial instruments, published in May 2024, initial application in the 2026 financial year.
- Amendments to IFRS 9: Amendments regarding the classification and measurement of financial instruments, published in May 2024, initial application in the 2026 financial year.

The application of these rules and amendments does not significantly affect the Group's net assets, financial position, and result of operations.

Published Standards for Which Application is Not Yet Required

The IASB has standards, interpretations and changes to standards and interpretations, the application of which is not yet mandatory and which, in part, still require endorsement into EU law.

- IFRS 18: Presentation and Disclosures in Financial Statements, published in April 2024, initial application in the 2027 financial year.
- IFRS 19: Subsidiaries without Public Accountability: Disclosures, published in May 2024 and an amendment in August 2025, initial application in the 2027 financial year.
- IFRS 20: Regulatory Assets and Regulatory Liabilities, published in May 2026, initial application in the 2029 financial year.
- Amendments to IAS 21: Amendments regarding conversion into a highly inflationary reporting currency, published in November 2025, initial application in the 2027 financial year.

The KHD Group will apply these standards when they take effect. The Group does not expect these amendments and the introduction of these standards to result in any significant effects on the Group's net assets, financial position, and result of operations.

The new standard IFRS 18 replaces IAS 1 and must be applied for the first time for financial years beginning on or after January 1, 2027. KHD is not planning to apply the standard earlier. In particular, IFRS 18 requires additional subtotals in the income statement as well as reconciliations with the performance measures determined by company management. The initial application of IFRS 18 will also impact KHD, although the specific extent of the effects are currently analyzed.

Principles for Interim Reporting

These condensed interim financial statements give a true and fair view of the net assets, financial position, and result of operations during the reporting period.

The preparation of interim financial statements requires that estimates are used and assumptions made that impact the assets, liabilities, provisions, deferred tax assets and liabilities as well as income and expenses. Over time, the estimates and assumptions can change and significantly affect the net assets, financial position, and result of operations of KHD. Although the estimates and assumptions are made carefully and conscientiously, it cannot be ruled out that the actual amounts in future might deviate from the estimates used in the interim financial statements.

The assumptions and estimates apply for the most part to the Group-wide determination of economic useful life, the assumptions for the impairment test of goodwill, the measurement of provisions, and the usability of tax loss carryforwards as well as the estimation of project costs and the stage of completion in case of customer contracts with revenue recognition over time.

The KHD Group operates in the area of plant engineering. Contracts in this area are frequently customer contracts with revenue recognition over time. In these cases, KHD determines the result and revenue according to the stage of completion based on the cost-to-cost method, which calculates the stage of completion from the proportion of contract costs already incurred to the estimated total contract costs, i.e., an input method is applied. As a result, the revenue recognition over time for customer contracts is equivalent to the recognition of profit based on the stage of completion. An expected loss from customer contracts with revenue recognition over time is recognized in full as an expense immediately. When revenue is recognized over time, the estimate of the stage of completion is particularly important. Significant estimates include, in particular, the total project costs, total contract revenues, contract risks, and other relevant figures. When revenue is recognized over time, changes in estimates can lead to an increase or decrease in revenue.

2. Scope of Consolidation

Subsidiaries are the companies in which investments are held and in which KHD AG has power over the investee, has an exposure to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of KHD’s returns. At KHD AG this is regularly the case when KHD AG holds, directly or indirectly, more than 50% of the voting rights or controls the business activities in another manner. These companies are, as a general rule, consolidated. Subsidiaries are consolidated from the date when actual control is transferred to KHD AG and are deconsolidated from the date when control no longer exists.

All intercompany transactions, balances, and unrealized profits or losses on intra-Group transactions are eliminated. The accounting and measurement principles applicable to subsidiaries pursuant to statutory law are adjusted in order to ensure consistency with the accounting and measurement principles of KHD. Non-controlling interests are presented and commented on separately.

Subsidiaries of KHD Humboldt Wedag International AG as of June 30, 2026

Name of company	Registered office	Main Buisness	Capital and voting rights in % June 30, 2026	Capital and voting rights in % Dec. 31, 2025		Currency	Subscribed capital June 30, 2026	Subscribed capital Dec. 31, 2025
KHD Humboldt Wedag GmbH	Cologne, Germany	Holding function	100.00	100.00	D	€	15,339,300	15,339,300
Humboldt Wedag GmbH	Cologne, Germany	Plant engineering	100.00	100.00	I	€	7,000,000	7,000,000
ZAB Zementanlagenbau GmbH Dessau	Dessau-Roßlau, Germany	Plant engineering	100.00	100.00	I	€	2,000,000	2,000,000
Blake International Ltd.	Road Town, British Virgin Islands	Holding function	100.00	100.00	I	USD	1,000	1,000
KHD Humboldt Wedag Vermögensverwaltungs-AG	Cologne, Germany	Asset management	91.26	91.26	I	€	3,600,000	3,600,000
Humboldt Wedag Inc.	Peachtree Corners, USA	Plant engineering	100.00	100.00	I	USD	1,000	1,000
Humboldt Wedag India Private Ltd.	New Delhi, India	Plant engineering	100.00	100.00	I	INR	19,200,000	19,200,000
KHD Humboldt Wedag Machinery Equipment (Beijing) Co. Ltd	Beijing, China	Plant engineering	100.00	100.00	D	USD	2,100,000	2,100,000
Humboldt Wedag Do Brasil Servicos Technicos Ltda	São José dos Campos, Brazil	Sales	100.00	100.00	I	BRL	801,847	801,847

D = directly owned

I = indirectly owned

3. Segment Reporting

For KHD, reporting is done in two separate segments. The Capex segment (project business) is differentiated from the Plant Services segment. Segment reporting is oriented towards internal Group management control and internal financial reporting (management approach). The business activities of the two reportable segments include the following services:

- **Capex (Project Business)**
  In the Capex segment, the KHD Group reports all revenues and expenses resulting from supplying equipment for cement plants and providing services directly linked to the equipment supply. This encompasses process technology, design, engineering, project management, and the supply of technology and equipment. In individual cases, KHD also provides construction and assembly services. In addition, the supervision of erection and commissioning of cement plants is allocated to this segment. General and administrative expenses, sales expenses, and other expenses (particularly research and development costs) are allocated to this segment accordingly.

- **Plant Services**
  The Plant Services segment comprises all revenues and expenses resulting from supplying spare parts and providing services to existing cement plants. Services include optimizing cement plants, maintenance services, carrying out plant audits, creating optimization concepts and feasibility studies, and training plant personnel. General and administrative expenses, sales expenses, and other expenses are allocated to the segment accordingly.

The key figures of the balance sheet and income statement in particular form the basis for the management and controlling of the KHD Group. For the operating segments, however, key figures are determined only for the income statement and for order intake, not for the balance sheet. In its function as the chief operating decision maker, the Management Board assesses the profitability of the segments based on the adjusted operating result (adjusted earnings before interest and taxes – adjusted EBIT).

The following table provides an overview of business development for the 2026 and 2025 financial half-years.

in € thousand	Capex Jan. 1 - June 30, 2026	Plant Services Jan. 1 - June 30, 2026	Total Group Jan. 1 - June 30, 2026	Capex Jan. 1 - June 30, 2025	Plant Services Jan. 1 - June 30, 2025	Total Group Jan. 1 - June 30, 2025
Order intake	115,245	19,798	135,043	24,655	24,612	49,267
Revenue	89,540	25,735	115,275	57,498	25,198	82,696
Cost of sales	(72,781)	(19,204)	(91,985)	(45,684)	(17,227)	(62,911)
Gross profit	16,759	6,531	23,290	11,814	7,971	19,785
Other operating income	1,046	-	1,046	1,117	-	1,117
Sales expenses	(5,721)	(1,156)	(6,877)	(5,211)	(1,090)	(6,301)
General and administrative expenses	(6,106)	(1,526)	(7,632)	(6,629)	(1,665)	(8,294)
Other expenses	(3,776)	-	(3,776)	(4,634)	-	(4,634)
Earnings before interest and taxes (EBIT)	2,202	3,849	6,051	(3,543)	5,216	1,673
Net finance income			3,496			3,392
Profit before tax			9,547			5,065
Income tax expense			(2,907)			(2,040)
Group net profit/ loss for the period			6,640			3,025

The accounting and measurement principles used for the reportable segments are in line with the IFRS Accounting Standards described above that are used for the Group financial statements. Revenue and segment-related expenses are directly allocated to the respective segment. Expenses and income which cannot be allocated directly to the segments (e.g., general and administrative expenses) are allocated to the segments using appropriate allocation keys. Scheduled amortization totaling € 1,675 thousand (previous year: € 1,638 thousand) is allocated to the Capex segment in the amount of € 1,629 thousand (previous year: € 1,597 thousand) and to the Plant Services segment in the amount of € 46 thousand (previous year: € 41 thousand).

The following project data was allocated to the various geographical areas according to the place of performance or delivery of the products and services.

	Revenue		Non-current assets	
in € thousand	**Jan.1 - June 30, 2026**	**Jan.1 - June 30, 2025**	**June 30, 2026**	**Dec. 31, 2025**
India and neighbouring countries	86,308	56,625	14,305	14,217
Africa	9,116	3,306	-	-
Rest of Asia	5,585	5,793	-	-
North America	5,501	3,902	2,049	204
Middle East	2,932	3,634	-	-
Rest of Europe	2,614	2,406	-	-
Australia	2,295	2,282	-	-
Germany (country of residence)	539	2,487	11,459	11,412
China	238	1,974	64	55
South America	147	287	-	-
	115,275	**82,696**	**27,877**	**25,888**

in € thousand	Order Intake Jan.1 - June 30, 2026	Order Intake Jan.1 - June 30, 2025	Order Backlog June 30, 2026	Order Backlog Dec. 31, 2025
India and neighbouring countries	59,165	27,218	128,586	150,041
North America	54,451	4,037	53,961	4,847
Middle East	8,303	1,801	11,800	6,457
Africa	6,124	3,783	16,085	19,063
Rest of Europe	2,904	2,525	6,706	6,416
Rest of Asia	2,374	1,591	12,570	15,920
Germany (country of residence)	728	574	803	614
Australia	528	7,055	3,653	5,419
China	262	252	1,449	1,420
South America	204	431	298	233
	135,043	**49,267**	**235,911**	**210,430**

4. Current Receivables and Financial Assets

in € thousand	June 30, 2026	Dec. 31, 2025
Current financial assets		
Trade receivables	53,186	41,707
Less loss allowances for impairment of receivables	(1,374)	(1,936)
Trade receivables - net	51,812	39,771
Intercompany receivables	3,539	1,649
Other financial assets	36,310	60,180
Financial receivables	2,562	2,488
Current financial assets	**94,223**	**104,088**
Other receivables	770	1,019
Current financial assets and other receivables	**94,993**	**105,107**

Trade receivables (gross amount – before deducting valuation allowances) increased in the first half-year 2026 by € 11,479 thousand from € 41,707 thousand (December 31, 2025) to € 53,186 thousand.

Intercompany receivables increased by € 1,890 thousand, from € 1,649 thousand in the previous year to € 3,539 thousand as of June 30, 2026. Intercompany receivables primarily result from delivery of goods and services to AVIC Group companies and from interest receivables.

Primarily bank deposits with an original maturity of more than three months up to one year in the amount of € 33,591 thousand (December 31, 2025: € 58,275 thousand) that are not shown as cash and cash equivalents are reported under other current financial assets.

5. Contract Assets and Contract Liabilities, Advance Payments Made and Advance Payments Received

Claims or obligations from customer contracts with revenue recognition over time are reported under the item contract assets or contract liabilities and advance payments received.

Contract assets represent conditional claims to a payment from the customer for satisfying contractual performance obligations. Receivables are recorded only after the claim to receipt of the payment becomes unconditional. This is usually the case if contractually agreed upon milestones for settlement are reached. When these milestones are reached, the contract assets are reclassified under receivables in the amount of the respective progress billings.

Contract liabilities arise when customer payments based on the agreed upon milestones exceed the performance obligations that have already been satisfied. KHD must have provided the contractual performance before the revenue from contract liabilities is recorded.

Costs incurred plus a proportionate profit depending on the stage of completion less progress billings are taken into consideration in the measurement of the contracts with revenue recognition over time.

The development of the contract balances from customer contracts is shown as follows:

in € thousand	**June 30, 2026**	**Dec. 31, 2025**
Balance of contract assets and contract liabilities		
Contract assets	3,387	4,220
Contract liabilities	(50,753)	(44,415)
	(47,366)	**(40,195)**
Contract liabilities	(50,753)	(44,415)
Advance payments received	(22,332)	(4,224)
Contract liabilities and advance payments received	**(73,085)**	**(48,639)**
Advance payments made	**9,207**	**9,597**

Of the revenue amounting to € 115,275 thousand recognized in the reporting period (previous year: € 82,696 thousand), € 92,504 thousand (previous year: € 58,732 thousand) result from customer orders with revenue recognition over time according to the stage of completion.

Impairment losses on contract assets for expected credit-related losses according to IFRS 9 are of minor significance.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise the following:

in € thousand	June 30, 2026	Dec. 31, 2025
Bank balances and cash on hand	31,636	22,355
Short-term bank deposits	30,027	8,507
	61,663	**30,862**

Bank deposits with an original maturity of more than three months up to one year (€ 33,591 thousand; December 31, 2025: € 58,275 thousand) are not reported under this item, but instead under "other current financial assets". The cash inflow related to financial investments in the context of short-term financial planning in the amount of € 24,684 thousand and reported in cash flow from investment activities (previous year: € 9,467 thousand) has to do with cash inflows due to the reduction in bank deposits with a term of more than three months up to one year. These relate primarily to financial investments in HW India.

Both cash and cash equivalents (€ 22,166 thousand; December 31, 2025: € 6,607 thousand) and financial investments (€ 33,419 thousand; December 31, 2025: € 57,749 thousand) at HW India can only be made available in the form of profit distribution for the Group. Distributions of profit are subject to customary national taxation.

7. Current Liabilities

in € thousand	June 30, 2026	Dec. 31, 2025
Current financial liabilities		
Trade payables	24,963	40,465
Liabilities due to affiliated companies	142	21
Other current financial liabilities	9,732	8,906
Lease Liabilities	1,802	1,621
Current financial liabilities	**36,639**	**51,013**
Other liabilities		
Tax and social security	799	505
Income tax liabilities	260	1,908
Other liabilities	**1,059**	**2,413**
Current liabilities	**37,698**	**53,426**

The other current financial liabilities consist primarily of employee-related liabilities of € 6,339 thousand, VAT liabilities of € 1,718 thousand and other liabilities of € 1,675 thousand.

The carrying amounts reported as of the reporting date generally correspond to the fair values.

8. Other Operating Income

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Exchange rate gains	813	787
Miscellaneous income	233	330
	1,046	**1,117**

9. Other Expenses

in € thousand	Jan.1 - June 30, 2026	Jan.1 - June 30, 2025
Research and development	2,706	3,776
Exchange rate losses	882	858
Miscellaneous expenses	188	-
	3,776	**4,634**

10. Income Tax Expenses

The expenses recognized in the first half-year 2026 for income taxes comprise the following:

in € thousand	Jan. 1- June 30, 2026	Jan. 1- June 30, 2025
Current tax expense	(2,280)	(1,992)
Deferred tax expense	(627)	(48)
Tax expense for the year	**(2,907)**	**(2,040)**

For the condensed interim financial statements, the taxes are calculated using the estimated effective tax rate of the respective company.

11. Additional Notes on Financial Instruments

List of the Financial Assets and Liabilities by Category

June 30, 2026 in € thousand	Financial assets Measurment according to IFRS 9			Financial liabilities Measurment according to IFRS 9			
	Fair value through P&L	Amortized cost	Not in IFRS 9 application area	Fair value through P&L	Amortized cost	Carrying amount June 30, 2026	Fair value June 30, 2026
Non-current financial assets	-	60,000	-	-	-	60,000	60,105
Trade receivables	-	51,812	-	-	-	51,812	-
Related party receivables	-	3,539	-	-	-	3,539	-
Other financial assets	2,519	33,791	-	-	-	36,310	2,519
Other receivables	-	2,561	771	-	-	3,332	-
Cash and cash equivalents	-	61,663	-	-	-	61,663	-
Total financial assets	**2,519**	**213,366**	**771**	**-**	**-**	**216,656**	**62,624**
Financial liabilities	-	-	-	9	-	9	-
Other liabilities	-	-	-	-	9,723	9,723	-
Trade payables	-	-	-	-	25,104	25,104	-
Total financial liabilities	**-**	**-**	**-**	**9**	**34,827**	**34,836**	**-**

Dec. 31, 2025 in € thousand	Financial assets Measurment according to IFRS 9			Financial liabilities Measurment according to IFRS 9			
	Fair value through P&L	Amortized cost	Not in IFRS 9 application area	Fair value through P&L	Amortized cost	Carrying amount Dec. 31, 2025	Fair value Dec. 31, 2025
Non-current financial assets	-	60,095	-	-	-	60,095	60,121
Trade receivables	-	39,771	-	-	-	39,771	-
Related party receivables	-	1,649	-	-	-	1,649	-
Other financial assets	1,705	58,475	-	-	-	60,180	1,705
Other receivables	-	2,488	1,019	-	-	3,507	-
Cash and cash equivalents	-	30,862	-	-	-	30,862	-
Total financial assets	**1,705**	**193,340**	**1,019**	**-**	**-**	**196,064**	**61,826**
Other liabilities	-	-	-	-	8,906	8,906	-
Trade payables	-	-	-	-	40,486	40,486	-
Total financial liabilities	**-**	**-**	**-**	**-**	**49,392**	**49,392**	**-**

The carrying amounts reported as of June 30, 2026 correspond to the fair values as long as no other explicit information is given.

The fair value in the amount of € 60,105 thousand within the non-current financial assets (December 31, 2025: € 60,121 thousand) results from the valuation of a loan receivable reported in the balance sheet in the amount of € 60,000 thousand (previous year: € 60,000 thousand).

The fair value of the listed securities that are held for trading is determined by reference to quoted market prices.

Financial assets and financial liabilities	**Fair value**		**Level**	**Measurement method**	**significant unobservable input(s)**
	June 30, 2026	**Dec. 31, 2025**			
Derivatives	Financial assets: € 0 thousand Financial liabilities: € 9 thousand	Financial assets: € 0 thousand Financial liabilities: € 0 thousand	Level 2	Discounted cash flow	N/A
Securities	Financial assets: € 2,519 thousand	Financial assets: € 1,705 thousand	Level 1	Listed price on active market	N/A

Other Information

Within the scope of its normal business transactions, the Group has commitments due to advance payment guarantees, performance bonds, and guarantees for warranty obligations. Besides the reported provisions, the KHD Group does not anticipate any material liabilities due to these commitments. The arranged bank guarantee credit facilities in the amount of € 107.0 million (December 31, 2025: € 108.0 million) allow individual KHD Group companies to provide bank guarantees for their customers. As part of these guarantee facilities, the Group has provided bank guarantees within the scope of its normal business activities in the amount of € 59.6 million (December 31, 2025: € 59.9 million).

12. Related Party Disclosures

As defined by IAS 24, in addition to the subsidiaries of KHD, the related companies also include both those companies that have a controlling or joint management interest in KHD, or exercise considerable influence, as well as those other related companies of the AVIC Group that are affiliated with the aforementioned companies. Because business transactions between KHD and its consolidated subsidiaries are eliminated in the consolidation process, the following presents only the transactions with respect to direct and indirect parent companies of KHD and the other related companies or persons that were not eliminated. These are primarily business transactions with companies of the AVIC Group and the members of the Management Board and Supervisory Board. Transactions with indirect parent companies relate to AVIC Beijing. Transactions with other affiliated companies took place with AVIC Kairong.

Relations with Affiliated Companies

There has been a cooperation agreement with AVIC International Beijing Company Limited ("AVIC Beijing") since the end of 2010, reinforced since February 2011 by the capital interest in KHD amounting to 20% that is held by Max Glory Industries Limited ("Max Glory"), an AVIC Beijing group company. As a consequence of a public takeover offer, AVIC Beijing further increased its indirect share in KHD in the 2014 financial year. As of June 30, 2026, AVIC Beijing continues to hold the majority of KHD stocks indirectly (89.02%).

KHD AG concluded a consulting contract in the 2019 financial year with 4-stream consulting GmbH, Roetgen, a company related to Management Board member Dr. Matthias Jochem as an affiliated company. According to the contractual agreement, € 158 thousand (previous year: € 149 thousand) was recorded by KHD AG as expenses in the period from January 1 through June 30, 2026. The liabilities due to 4-stream consulting GmbH i.L. as of June 30, 2026, total € 61 thousand (as of December 31, 2025: € 21 thousand). The contractual relationship with 4-stream consulting GmbH i.L. ended with the resignation of Dr. Matthias Jochem from the Supervisory Board as of July 31, 2026.

Other Transactions with Affiliated Companies of the AVIC Group

As of June 30, 2026, the KHD Group reported one loan receivable for € 60,000 thousand, from AVIC International Kairong Limited as the borrower. The loans granted to AVIC Kairong were renegotiated in the 2025 financial year. In the process, the two existing loans, one for € 10,000 thousand and one for € 50,000 thousand were consolidated into one loan, the term extended to December 31, 2028, and the interest rate was adjusted from 5.0% p.a. to 4.0% p.a. as of November 1, 2025. KHD has the right to demand full or partial repayment at any time before the due date with a notification period of 30 days. The loan is secured by a corporate guarantee of a holding company of the AVIC Group.

The following business transactions with affiliated companies of the AVIC Group took place during the first half-year 2026:

Income

in € thousand	Jan. 1- June 30, 2026	Jan. 1- June 30, 2025
Indirect parent company	3,037	3,450
Other related companies	1,207	1,508
	4,244	4,958

The income with indirect parent companies relates primarily to income from project business. Interest income from the loans extended to AVIC Kairong in the amount of € 1,207 thousand (comparable period in the previous year: € 1,508 thousand) is reported under income with other related companies.

Current Assets

in € thousand	June 30, 2026	Dec. 31, 2025
Indirect parent company	3,401	3,834
Other related companies	1,207	-
	4,608	3,834

As of June 30, 2026, current assets due from companies of the AVIC Group amounted to € 4,608 thousand (December 31, 2025: € 3,834 thousand). These result from receivables due from project-related business amounting to € 2,332 thousand, contract assets amounting to € 1,069 thousand, and interest receivables amounting to € 1,207 thousand.

In addition, one loan to an affiliated company in the amount of € 60,000 thousand is reported under non-current assets as of the balance sheet date.

Liabilities, Advance Payments Received and Provisions

in € thousand	June 30, 2026	Dec. 31, 2025
Indirect parent company	10,868	2,321
	10,868	2,321

Contract liabilities in the amount of € 2,453 thousand from affiliated companies (December 31, 2025: € 812 thousand) are reported under liabilities from project contracts. Liabilities and provisions in the amount of € 8,415 thousand (December 31, 2025: € 1,509 thousand) are reported as due from indirect parent companies.

13. Responsibility Statement

We assure that, to the best of our knowledge and in accordance with the applicable reporting standards for half-year financial reporting, the Group’s half-year financial statements give a true and fair view of the net assets, financial position, and result of operations of the Group, and the interim Group management report includes a fair review of the development and performance of the business and the position of the Group along with a description of the principal opportunities and risks associated with the expected development of the Group for the remainder of the financial year.

In addition, we assure that the interim financial report complies with the regulations of IAS 34 in addition to further applicable International Accounting Standards and the applicable interpretations of the IFRS Interpretations Committee.

Cologne, Germany, August 14, 2026

The Management Board

(s) Xiang Heng (Chairman)	(s) Jürgen Luckas	(s) Martin Strouhal

List of abbreviations

AVIC Beijing	AVIC International Beijing Company Limited, Beijing, People's Republic of China
AVIC Kairong	AVIC International Kairong Limited, Hong Kong, Hong Kong Special Administrative Region of the People's Republic of China
AVIC Engineering	AVIC International Engineering Holdings Pte. Ltd., Singapore, Republic of Singapore
HWG	Humboldt Wedag GmbH, Cologne, Germany
HW Inc.	Humboldt Wedag, Inc., Peachtree Corners (Georgia), USA
HW India	Humboldt Wedag India Private Ltd., New Delhi, India
KHD	KHD Humboldt Wedag International AG, Cologne, Germany – Group
KHD AG	KHD Humboldt Wedag International AG, Cologne, Germany
KHD Beijing	KHD Humboldt Wedag Machinery Equipment (Beijing) Co. Ltd., Beijing, People's Republic of China
KHD GmbH	KHD Humboldt Wedag GmbH, Cologne, Germany
KHD OOO	KHD Humboldt Engineering OOO, Moscow, Russia
KHD VV	KHD Humboldt Wedag Vermögensverwaltungs-AG, Cologne, Germany
Max Glory	Max Glory Industries Ltd., Hong Kong, Hong Kong
ZAB	ZAB Zementanlagenbau GmbH Dessau, Dessau-Roßlau, Germany