KOENIG & BAUER

Annual report
2024

we're on it.

Contents

Letter to the shareholders

Dear shareholders,
Change is a constant in our company's history. For over 200 years, we have been facing new challenges, driving innovation and seizing opportunities. Yet, never before have change and opportunities been so closely linked as they are today.

Our actions are therefore guided by the motto **Chance & Change.**

drupa
Thus, at drupa, the world's largest trade fair for the printing and graphics industry, which took place for the first time in eight years after the pandemic-related hiatus, we took the opportunity to impressively demonstrate our innovativeness to an international audience.

The trade fair itself and the entire industry have also changed dramatically over the last few years. Sustainability and digitisation were the focus, as were new business models in digital printing and future-proof packaging materials: paper-based solutions, environmentally friendly films, hybrid materials. However, one thing has remained the same, namely drupa's exceptional standing and significance as one of the few of the world's leading trade fairs.

The drupa motto "Think digital – Be sustainable" reflected our own "Exceeding Print" strategy, under which we are committed to becoming even more sustainable, digital and modular. Our activities at drupa not only highlighted our growth potential, especially in packaging printing, but also served as vindication of our strategy. Customer feedback showed that, with our targeted investments in sustainability, digitisation, modularity and new product groups, we have consistently aligned our product portfolio to the requirements of our customers and markets and thus set exactly the right priorities.

As a provider of end-to-end solutions in packaging production for almost all relevant materials, we have reinvented ourselves once again – with analogue and digital printing presses, postpress technologies, digital workflows and AI-supported solutions. Commercial printing, banknote printing and special applications safeguard our stability through market diversification.

A glance at our peers testifies to our strategic foresight. Competitors are entering or re-entering markets that we are already successfully addressing. Now is the time to reap the fruits of our work, which we commenced with the 2023 Growth Offensive in 2018.

"Spotlight" focus programme
The strategy is in place. Our new presses and digital solutions have been unveiled – now it is a question of successfully establishing them on the market and at the same time strengthening our earnings potential. This is precisely where the "Spotlight" focus programme, which the Executive Board launched at the end of 2023, comes in.

Koenig & Bauer needs to be more profitable. The "Spotlight" programme bears its name for good reason, focusing as it does on specific business units and areas within the Group. In these spotlight areas, we have optimised structures, adjusted costs – also in response to inflation-induced increases in personnel and material costs – and partially altered the company's footprint. Our focus programme is striving for sustainable revenue growth in profitable businesses, while restructuring non-profitable ones. We have initiated decisive measures in the Digital & Webfed and Special segments in particular. With D&W 2.0 and BNSx, we are optimising structures, enhancing efficiency and creating a stable basis for profitable growth. The measures implemented in the segments required an adjustment to the holding company's scale and structures. This has laid the foundations for a more agile alignment to our customers and markets.

Organisation
The next step in this change process involves our organisational structure. Like our products and strategy, it must be optimally tailored to meet the needs of our customers and markets.

The change in our organisational structure encompasses two central aspects: the restructuring of our segments with a clear alignment to customers and markets and targeted changes to management – both in terms of structures and the responsible persons.

Focusing on markets and customers by reducing the number of segments from three to two
With our new segment structure, we are continuing on the path that we adopted in 2014 to evolve from a unitary to a divisional group. Instead of three, there will be two segments in the future. The focus is on markets and customers, which we can now serve with even greater precision. This re-alignment enables us to offer customer-oriented solutions more effectively and to make greater use of synergies.

All the previous Sheetfed activities will be consolidated within the new **Paper & Packaging Sheetfed Systems (P&P)** segment. As well as this, the corrugated cardboard activities for Koenig & Bauer Celmacch's Chroma series, which were previously assigned to Digital & Webfed, will be re-allocated to this segment due to the close technological and customer overlap between folding box and corrugated cardboard producers. The activities of the Koenig & Bauer Durst joint venture will continue to be based in the Sheetfed segment (now renamed Paper & Packaging Sheetfed Systems).

The **Special & New Technologies (S&T)** segment will include the previous activities of the Special segment and the remaining activities of the former Digital & Webfed segment. This includes the special packaging printing applications, primarily web digital and flexo web printing, as well as newpaper printing. Likewise, the partnership forged between Koenig & Bauer and the Volkswagen subsidiary PowerCo for the development of dry coating for battery cell production will be integrated in this segment. New applications (inspection systems and product safety) will be spun off from security printing into an independent Vision & Protection business unit. With its focus on the Kyana portal and digital products, the Digital Unit, which was previously organised as a cross-sectional function within the holding company, will operate as an independent business unit called "Kyana" inside the S&T segment. This business unit will thus be home to the digital solutions of the two former Digital & Webfed and Special segments.

Changes resulting from the transition to a new generation of managers
The restructuring of the Group has resulted in changes to central responsibilities for operations as well as to cross-sectional functions. As some of these will be re-assigned to the two segments to a greater extent, there is no longer any need for a central Group COO. Initiated by Michael Ulverich, the development of a standardised press platform and modular system will continue to be pursued in the segments.

Christian Steinmaßl joined Koenig & Bauer's Group management on 1 December 2024 and reports to the Executive Board. He will thus be playing a key role in the new Special & New Technologies segment and has assumed responsibility for production, the Vision & Protection and Kyana (formerly Digital Unit) business units and Group purchasing.

In June 2024, the Digital & Webfed management team was re-positioned. Thus, Philipp Zimmermann took over overall management responsibility for Digital & Webfed AG & Co. KG from Christoph Müller, the Executive Board member in charge of Digital & Webfed, who subsequently devoted his attention to expanding digital printing technologies and partnerships to a greater extent.

As part of the Group's strategic realignment and the planned transition to a new generation, Christoph Müller resigned from his position on the Executive Board with effect from 31 March 2025. He will continue to assist Koenig & Bauer as an executive advisor.

From that date, Christian Steinmaßl will be responsible for Digital & Webfed within the new Special & New Technologies segment in addition to his previous responsibilities.

Effective 30 June 2025, Ralf Sammeck, CEO of Koenig & Bauer Sheetfed, a member of the Executive Board at Koenig & Bauer AG, will be retiring after 25 years with the Group.

Preparations were commenced in 2024 for a suitable replacement for this key position in the interests of a smooth and sustainable transition. As the new managing director and CEO of Koenig & Bauer Sheetfed AG & Co. KG, Markus Weiß assumed his new position as CEO of the new P&P segment on 1 February 2025 and is also a member of Group management below the Executive Board.

Segments to be strengthened and, looking forward, the Executive Board to be rendered leaner
With this alignment, Koenig & Bauer AG as a holding company is streamlining its tasks and assigning more operational responsibilities to the two segments. In addition to pursuing the Group's strategic responsibilities, the holding company will continue to provide shared services for all Group subsidiaries, including IT, HR, IR, communications, central purchasing and

financial services. The members of the Executive Board are closely integrated in the strategic management of the segments. Looking forward, this will make it possible to reduce the number of members to just two, namely Chief Executive Officer and Chief Financial Officer. In the course of 2025, further steps in the reorganisation the Executive Board will be taken incrementally.

Focus on people

Despite the challenges that "Spotlight" has entailed, people remain at the heart of everything Koenig & Bauer does. Each and every employee's contribution was and is crucial to our success. We on the Executive Board would like to thank all of you: you have supported the difficult decisions, from staff reductions to salary waivers, and recognised how important these steps are for the future of our company. Your flexibility and commitment are allowing us to turn change into a real chance – for the company and for the people who make it what it is.

2024 – a year of change and realignment

Despite the challenging global economic environment, Koenig & Bauer achieved all the sub-targets that it had defined in November 2024, which were required to meet the updated full-year forecast as planned with a historically strong final quarter. As forecast, operating EBIT of €25.8m adjusted for extraordinary items for the "Spotlight" focus programme and costs for the drupa trade fair was recorded for 2024 as a whole on revenue of €1,274.4m. In addition to the costs of €10.5m for the world's leading trade fair drupa, extraordinary items for the "Spotlight" focus programme amounting to €50.4m placed a burden on Group EBIT in 2024, while simultaneously laying the foundations for profitable growth in the coming years. The forecast maximum of €45m for the "Spotlight" extraordinary items was exceeded following the Executive Board's decision to discontinue the CS-MetalCan project for 2-piece beverage can printing with an additional earnings effect of roughly €5.4m.

In view of the earnings performance in 2024 and the persistently challenging global economic environment, the Executive Board and the Supervisory Board will be proposing at the annual general meeting that a dividend be omitted for the financial year as a result of the net loss reported by Koenig & Bauer AG.

We will be maintaining the dividend policy, as Koenig & Bauer attaches great importance to ensuring the fair participation of its shareholders in its success, and, subject to profitable business performance during the year, aims to distribute a dividend of 15 – 35% of consolidated earnings, with a minimum dividend of €0.30 per share.

Outlook for 2025 and beyond

2024 showed us how decisive flexibility and determination are for our success. With our clear strategic orientation, a strong foothold in the growing markets for packaging and innovative solutions, we are facing the future with confidence. Our employees and the trust of our shareholders are the pillars that will enable us to continue growing successfully and actively shape change over the next few years. The road to 2025 has been paved and we are ready for the chances that lie ahead.

In doing so, we are relying on sustainable innovations, operational excellence and close customer relationships as well as enterprise-wide training and further education for our employees, whose competence and commitment form the basis for our future development. Currently, our focus is on integrating artificial intelligence into the work processes of our various divisions.

A further focus will be on opening up new markets and adapting our products to meet changing customer needs. Digitisation is offering great opportunities here, whether through more efficient production methods or the development of individual solutions for our customers. We will continue to hone our existing technologies, while simultaneously investing in new areas to safeguard our long-term competitiveness. In this context, strategic partnerships will also play an important role in addressing global challenges together.

Despite difficult and uncertain global economic and geopolitical conditions, Koenig & Bauer sees itself well positioned for 2025. Thanks to a historically high order backlog and additional savings from the "Spotlight" focus programme, the Executive Board anticipates a slight increase in revenue to €1.3bn, accompanied by higher operating EBIT in a corridor of between €35m and €50m. Within this corridor, target achievement is highly dependent on actual global economic and geopolitical developments over the next few months.

Koenig & Bauer continues to consider Group revenue of roughly €1.5bn in

2026, accompanied by an operating EBIT margin of around 6%. Due to the global economic and geopolitical uncertainties and, resulting from this, the limited forward planning visibility, Group revenue is currently expected to come to between €1.4bn and €1.5bn, with the operating EBIT margin reaching 5-6%.

Acknowledgements
In the coming year, Koenig & Bauer will continue to adapt its activities to align with market trends and the needs of our employees, customers, and shareholders. The strategic decisions we made last year will provide a solid foundation for the future. We would like to thank all the parties involved for this and their many years of commitment and loyalty. We see change not just as a reaction, but as an active chance that we can influence. With this clear focus, we will not only master the challenges that lie ahead of us but also create new opportunities through continuous adjustments. In this way, we will jointly drivie forward the dynamic cycle of change and growth in order to lead Koenig & Bauer into a successful future.

Würzburg, 20 March 2025

Koenig & Bauer AG Executive Board

Dr. Andreas Pleßke
Chief Executive Officer

Supervisory Board report

Dear shareholders,
Despite the challenging macroeconomic and geopolitical environment, Koenig & Bauer AG achieved its earnings and revenue targets in 2024. The Group's strategy in the areas of digitisation, sustainability and modularisation was systematically pursued and presented convincingly at drupa, the world's leading industry exhibition, enabling our long-established company to further consolidate its position as an innovative technology group and a source of inspiration for the industry.

Following the successful transformation of the product portfolio with a focus on the markets of the future such as packaging printing and innovative digital solutions, the Supervisory Board concentrated last year on the company's organisational and personnel transformation with the adoption of a new governance structure characterised by a keener customer focus and a gradual transition to a new generation on the Management Board. Another key priority for the Supervisory Board entailed the efforts by the Management Board to safeguard and enhance the Group's earnings and financial strength through various programmes such as the Spotlight project. With these strategic business opportunities for profitable growth and the personnel decisions that have been made, Koenig & Bauer remains well positioned as it moves ahead.

The Supervisory Board performed its duties with great care in accordance with the law, the Articles of Association and the Rules of Procedure. In addition to discussing market trends and growth business, the Supervisory Board dealt in detail with the business and earnings situation as well as the financial position and liquidity status of Koenig & Bauer AG and the Group together with the situation at key subsidiaries. Business policy, the M&A strategy, the competitive situation, risk management, compliance, the internal control system, internal auditing, cybersecurity, the capital market, personnel strategy and particularly also the programmes for reinforcing the Group's earnings and financial strength were discussed at length. The Supervisory Board and the Audit Committee dealt with sustainability issues pertaining to environment, social and governance matters (ESG for short) as well as with the new ESG-related regulatory requirements. In addition to the Management Board's corporate and investment planning, further items on the agenda of the Supervisory Board and the committees included the dividend policy, governance and remuneration matters and, in particular, the revision of the Management Board remuneration system. All necessary resolutions were passed after detailed examination and intensive discussion.

In the year under review, the Supervisory Board was again informed promptly, regularly and comprehensively by the Management Board of all events that were of material importance for the Company. In 2024, this was done in the form of hybrid Supervisory Board meetings with combined in-person attendance and online participation, in video conferences as well as over the phone and in writing. The Chairman of the Supervisory Board and the Chief Executive Officer meet on a weekly basis, while further monthly meetings are held between the Chair of the Audit Committee and the Chief Financial Officer. In addition, the Supervisory Board received continuous reports concerning the Company's key performance indicators.

Nine Supervisory Board meetings and seven information meetings for the Supervisory Board were held on matters of current relevance in 2024. These were supplemented by internal preparatory video conferences held prior to the Supervisory Board meetings or relating to matters of current relevance. The Supervisory Board also met at times in the absence of the Management Board to discuss matters that concerned either the Management Board itself or internal Supervisory Board subjects. Of the nine meetings of the Supervisory Board, four were held in person, three as video conferences and two as hybrid meetings with combined in-person attendance and online participation. Of the seven information meetings for the Supervisory Board, five were held as a video conference and two in hybrid form with combined in-person attendance and online participation. The chairpersons of the Supervisory Board committees reported regularly to the full Supervisory Board on the agenda and recommendations of the committee meetings. In the year under review, no members of the Supervisory Board were subject to any conflict of interests. The breakdown of the attendance at the meetings of the Supervisory Board and the committees is set out in the following table:

Name	Member since	Supervisory Board meetings (6)	Personnel Committee (7)	Audit Commit-tee (6)	Strategy Commit-tee (2)	Nominating Committee (1)	Total participa-tion
Prof. Dr.-Ing. Raimund Klinkner, Vorsitzender	2018	9/9	5/5	–	2/2	1/1	100%
Gottfried Weippert, stv. Vorsitzender	2001	9/9	5/5	5/5	2/2	–	100%
Dagmar Rehm, stv. Vorsitzende	2014	9/9	5/5	5/5	–	–	100%
Claus Bolza-Schünemann	2023	8/9	–	–	2/2	1/1	92%
Julia Cuntz	2016	9/9	–	–	–	–	100%
Carsten Dentler	2017	8/9	–	–	2/2	1/1	92%
Marc Dotterweich	2015	9/9	–	5/5	–	–	100%
Christopher Kessler	2016	9/9	–	–	2/2	–	100%
Prof. Dr.-Ing. Gisela Lanza	2015	8/9	–	–	2/2	–	91%
Dr. Johannes Liechtenstein	2019	9/9	–	5/5	–	–	100%
Simone Walter	2016	9/9	–	–	2/2	–	100%
Sabine Witte-Herdering	2023	8/9	–	–	–	–	89%

The offices held by Dagmar Rehm, Dr. Johannes Liechtenstein and myself, Prof. Dr.-Ing. Raimund Klinkner, as shareholder representatives on the Supervisory Board, were renewed at the Annual General Meeting on 26 June 2024. There were no changes to the composition of the Supervisory Board during the year under review. By contrast, there have been changes in the composition of the Management Board since the last report of the Supervisory Board. Following the change in central responsibilities for operations and selected cross-sectional functions in connection with the adoption of the new governance structure, the previous role of Group Chief Operating Officer (Group COO) has been abolished. Consequently, Mr Michael Ulverich left the Management Board on 30 November 2024 in mutual agreement with the Supervisory Board. The Supervisory Board thanked Mr Ulverich for his contribution to the successful further development of the Group's operations.

The members of the Supervisory Board receive appropriate support from the company in the form of training and further education. The Supervisory Board training system provides for two webinars a year on selected topics together with an optional external training event. The training events in the year under review revolved around the new ESG regulations such as the CSRD. As well as this, the Koenig & Bauer Board Academy has developed its own website as a platform for training and further education for the members of the Supervisory Board. In addition, the employee representatives are able to make use of the conferences organised by the Hans Böckler Foundation as well as the further education offered by the trade unions and DGB-Bildungswerk.

The meetings of the Supervisory Board and its committees as well as the information meetins dealt with the following matters in 2024: The video conferences of the Supervisory Board on 8 February 2024, 23 February 2024 and 28 February 2024 concentrated on the Spotlight project and the preliminary figures for 2023 as well as the guidance for 2024. In addition to approving the Management Board's proposal for the allocation of the unappropriated surplus expected for the 2023 financial year and the future dividend policy, the Supervisory Board adopted the revised targets for the composition of the Supervisory Board, the profile of skills and the diversity concept.

At its in-person meeting of 20 March 2024, the Supervisory Board dealt at length with the annual financial statements for Koenig & Bauer AG and the Group as of 31 December 2023, the combined management report, the non-financial Group report and the 2023 remuneration report for the members of the Management Board and the Supervisory Board together with the relevant audit reports. The 2023 annual and consolidated financial statements including the combined management report and the non-financial Group report, the 2023 remuneration report and the Management Board's proposal for the allocation of the unappropriated surplus for the 2023 financial year were approved or adopted. Furthermore, the Supervisory Board approved the resolution passed by the Management Board to submit the 2023 remuneration report to the Annual General Meeting on 26 June 2024 for approval by the shareholders. The wording of the invitation to the Annual General Meeting including the 14 items of the agenda and the proposals for the adoption of the corresponding resolutions was also approved. In addition to the Spotlight project, the comprehensive agenda for the Supervisory Board's meeting in March included strategy, governance, cash flow and capital market issues. Furthermore, the Supervisory Board dealt closely with Management Board matters and, in particular, the new Management Board remuneration system, which was submitted to the Annual General Meeting on 26 June 2024 and duly approved by the shareholders.

At a hybrid meeting with combined online and in-person participation on 6 May 2024, the Supervisory Board was informed of the Q1 figures, the 2024 forecast and the cash flow planning. At the virtual Supervisory Board meeting held on 14 May 2024, the Management Board provided an update on the Spotlight and governance projects. Ahead of the Annual General Meeting, the Supervisory Board held a virtual meeting on 19 June 2024. In addition to a review of the drupa 2024 industry exhibition, a report by the Management Board on the Group's current business performance and information on the Annual General Meeting, the agenda included the Spotlight project and strategic topics such as the spin-off of Koenig & Bauer Vision & Protection GmbH. Further topics entailed Management Board remuneration and other matters as well as a decision on the subjects on which the Supervisory Board was to receive training in 2025. As well as this, the results of the Supervisory Board's efficiency audit, which is conducted internally every year with external support and regularly updated in the light of current matters and legal requirements, were discussed. Following the Annual General Meeting on 26 June 2024, the Supervisory Board met in person to hold its constitutive meeting, at which Ms Dagmar Rehm was confirmed as Deputy Chair of the Supervisory Board and myself as Chairman of the Supervisory Board, while the composition of the committees and the respective committee chairs were determined. Details of the current composition of the Supervisory Board's committees can be found on the company's website.

On the day before the strategy meeting, a full-day in-person Supervisory Board workshop on Management Board and governance matters was held. At the Supervisory Board's strategy meeting held on 23 July 2024 at Koenig & Bauer Kammann in Löhne, the Management Board informed the Supervisory Board in person about the achievement of the three core pillars of digitalisation, sustainability and modularity defined in the Exceeding Print Group strategy and outlined the other key strategic initiatives relating to products, markets and partnerships.

On 31 July 2024, the Supervisory Board was briefed in a virtual meeting on the report for the first half of 2024. In a hybrid Supervisory Board meeting held on 23 September 2024 with both in-person and online attendance, the Management Board presented the high-level business plan for the years 2025 to 2029. The Spotlight project was also dealt with in detail. Following the Management Board's explanations, the Supervisory Board approved the efficiency and restructuring measures planned as part of the Spotlight project. In addition, Management Board matters were on the agenda.

At a hybrid meeting on 6 November 2024 with combined in-person attendance and online participation, the Supervisory Board deliberated on the Q3 report as well as the Management Board's revenue and EBIT projections for 2024. Following the approval of the new governance structure in a circular vote, the Supervisory Board approved the termination agreement with Management Board member Michael Ulverich in a video conference on 28 November 2024, with effect from 30 November 2024. At the hybrid Supervisory Board meeting held on 9 December 2024 with combined in-person attendance and online participation, the Management Board presented in detail the corporate and investment plans for 2025 and provided an outlook for the years until 2029. The Supervisory Board approved the corporate and investment budget for 2025 and acknowledged the medium-term plans. In addition to the Spotlight project, the agenda also included strategic issues and the development of the subsidiaries. In addition, the person responsible for compliance, internal auditing and risk management submitted a status report on these three areas. The Management Board provided information on the items on the agenda planned for the Annual General Meeting on 4 June 2025. The Supervisory Board also discussed the amendments to the rules of procedure for the Management Board and the Supervisory Board and deliberated on Management Board matters.

Much of the Supervisory Board's work is performed by its various committees. Five committees assist the Supervisory Board in the performance of its duties by preparing the resolutions to be passed by the Supervisory Board and the matters to be discussed in the plenary sessions. The Personnel Committee met five times and the Nominating Committee once. Of the five meetings of the Audit Committee, one was held in person, two in hybrid form with combined in-person attendance and online participation and two as a video conference. In addition to the strategy meeting, which was attended by the entire Supervisory Board, a further two meetings of the Strategy Committee were held during the year under review. These two meetings of the Strategy Committee were held in hybrid form with combined in-person attendance and online participation. It was again not necessary for the Mediation Committee appointed under section 27 (3) of the Codetermination Act to convene in 2024.

In addition to examining the quarterly reports and updated annual forecasts together with cash budgets, one of the main tasks of the Audit Committee was to review in detail the annual financial statements of Koenig & Bauer AG and the consolidated financial statements as well as the combined management report, the non-financial Group report and the corresponding audit reports together with the remuneration report for the members of the Management Board and the Supervisory Board. Throughout the entire process of preparing the financial statements, regular meetings were held between the Chair of the Audit Committee and the external auditor. During the discussion of the annual financial statements, the representatives of the statutory auditor reported to the committee on the results of their audit and were available to answer any questions and for detailed discussion of various matters. The Audit Committee prepared the approval and adoption of the financial statements and the remuneration report by the Supervisory Board. It reviewed the quality of the audit of the financial statements, monitored the independence of the external auditor and obtained his declaration of independence. In addition, the Supervisory Board dealt with the management letter for the external audit of the financial statements for 2023. The Audit Committee also prepared the proposal for the election at the Annual General Meeting of the external auditor of the annual financial statements and the consolidated financial statements and of the external auditor of the non-financial consolidated report. The Audit Committee reviewed the non-auditing activities requested by the Company from the external auditor on a quarterly basis. In addition to determining the priorities of the external audit of the financial statements, the Audit Committee also discussed the compliance management system and the compliance plan, internal auditing and the audit plan, the risk management system and the risk situation within the Group, the internal control system, export control, ESG issues and cybersecurity. In addition, it received comprehensive and regular updates on the progress of SAP migration and the organisational project for the interaction of governance, risk management and compliance (GRC). The Audit Committee was regularly briefed on the progress being made within the Group with respect to the new regulatory ESG requirements, particularly under the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). At an extraordinary meeting, the Audit Committee discussed the possibility of calling for new proposals for the office of external auditor but postponed a decision on this after careful consideration. The Chief Executive Officer and the Chief Financial Officer regularly attended the meetings of the Audit Committee. The Chairman of the Audit Committee regularly conducts governance roadshows to maintain personal contact with proxy advisors and major investors. In view of the agenda items planned for the Annual General Meeting, the governance roadshow held at the beginning of 2024 focussed on Management Board remuneration issues and, in particular, the new Management Board remuneration system.

In addition to current topics, the Personnel Committee primarily dealt with Management Board, remuneration and governance matters in the year under review. In addition to overseeing the preparation of the remuneration report, the Personnel Committee prepared various draft resolutions for the Supervisory Board concerning variable Management Board remuneration and the target agreements with the Management Board, the revision of the Management Board remuneration system, Management Board governance and further training of the Supervisory Board in the following year. The Nominating Committee considered for submission to the full Supervisory Board the recommendations for candidates for the Supervisory Board elections scheduled for the next Annual General Meeting. The Strategy Committee was once again closely involved in the Group's strategy process. At the committee meetings, the Management Board presented the methodology and results of the trend radar for the systematic identification of megatrends and provided updates on the market, R&D, M&A, sourcing and modularisation strategies. The Strategy Committee also considered product digitisation activities and key account and brand owner management.

The application and further development of the corporate governance rules by the Company, particularly the implementation of the recommendations of the Code, are regularly monitored by the Supervisory Board. The Corporate Governance Statement published on the Company's website describes the activities of the Supervisory Board with regard to the Declaration of Conformity pursuant to section 161 of the German Stock Corporation Act.

At its meeting on 20 March 2025, the Supervisory Board adopted the annual financial statements for Koenig & Bauer AG as of 31 December 2024 prepared by the Management Board and the remuneration report for the members of the Management Board and the Supervisory Board for 2024 and approved the consolidated financial statements for the Koenig & Bauer Group as of 31 December 2024, including the combined management report and separate non-financial Group report following a discussion with the auditors, its own careful examination and intensive deliberation. The annual financial statements of Koenig & Bauer AG are thus duly adopted in accordance with section 172 of the German Stock Corporation Act. The resolutions were prepared by the Audit Committee. The chairperson of the Audit Committee reported to the Supervisory Board in detail on the results of the intensive audits and the Committee's findings as well as on the discussions with the auditors and the Management Board. The auditors reported at length to the Supervisory Board on their audit procedures and findings and were available to answer additional questions. PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in Frankfurt am Main, Nuremberg branch, issued unqualified audit opinions for both sets of financial statements including the combined management report. Furthermore, the separate non-financial Group report underwent a limited assurance review by PricewaterhouseCoopers GmbH. The Supervisory Board, like the Audit Committee, approved the auditor's findings at its meeting on 19 March 2025 based on its own review. Neither body raised any objections to the consolidated financial statements, the annual financial statements of Koenig & Bauer AG, the combined management report, the non-financial Group report or the remuneration report for 2024.

The external auditor also confirmed that the Management Board had established a risk early detection system meeting the requirements of section 91 (2) of the German Stock Corporation Act. The information and monitoring system, which is appropriate and meets the requirements of the Company, appears to be suitable in terms of its design and actual implementation to identify at an early stage any developments liable to jeopardise the Company's going-concern status. No material shortcomings in the internal control system and the early risk detection system were reported.

The Supervisory Board would like to thank all employees, the Management Board, managers and employee representatives for their active commitment and constructive cooperation in the 2024 financial year. It expresses its gratitude to the shareholders for their confidence in the Company.

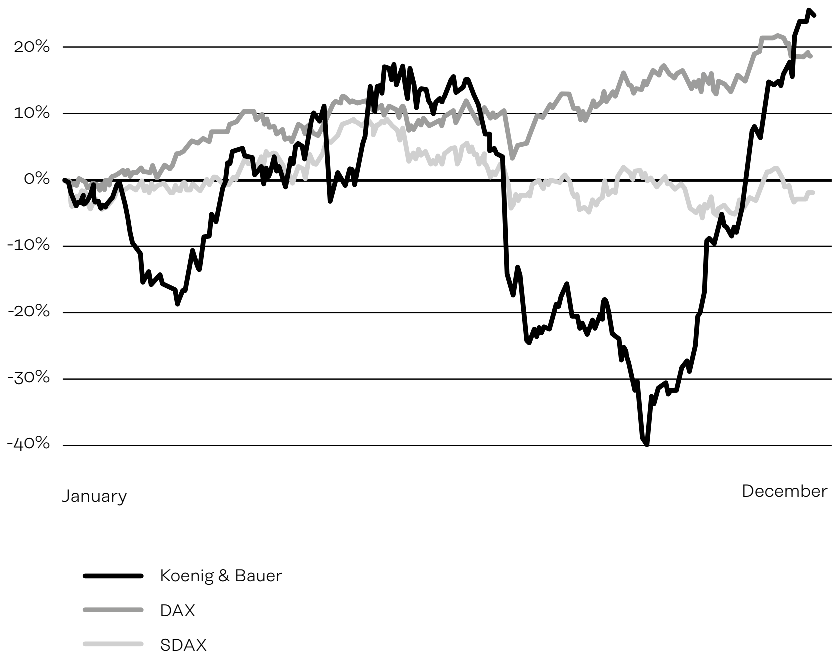
Würzburg, 20 March 2025
Koenig & Bauer AG Supervisory Board

Prof. Dr.-Ing. Raimund Klinkner
Chair of the Supervisory Board

Koenig & Bauer shares

Following volatile performance, 25% gain on the back of a strong final quarter

Share performance in 2024



German stock market in 2024 – mixed picture
In 2024, the German stock market painted two different pictures: while the DAX was mainly driven by the strong performance of a few large companies, both the MDAX and the SDAX fell short of the previous year's figures, as their members are generally more exposed to the German economy. In recent years, German small and mid caps have been facing challenges, with the pandemic, inflation and rising interest rates exerting greater pressure on them. The muted economic situation in Germany, which is characterised by high energy costs and political uncertainties, additionally aggravated the situation. Even small caps with strong export business, such as Koenig & Bauer, were unable to decouple themselves from this trend despite their global orientation and competitiveness. As a result, small caps have been lagging behind blue chips for four years now. This is also reflected in the fact that foreign investors are increasingly shunning German second-line equities. With increased risk aversion, they often withdraw from smaller companies across the board, without considering their individual strengths. As a result, German small caps also attracted historically low valuations in 2024.

Monetary impetus and global uncertainties in 2024
At the beginning of the year, the market was mainly driven by expectations of easing monetary policies and lower borrowing costs due to falling inflation rates. In the summer, macroeconomic uncertainties, such as the escalating Middle East conflict, triggered volatility, exerting pressure on share prices. Subsequently, interest rate cuts by the European Central Bank (ECB) and the US Federal Reserve triggered a positive turnaround, which was reinforced by a further Fed cut in November. Subsiding inflation rates and the clear outcome of the US presidential elections also buoyed equities, particularly the DAX. At the beginning of December, it crossed the 20,000-point mark for the first time, closing the year with gains of 18.85%, while the SDAX saw the year out 1.87% lower.

Following volatile performance, 25% gain for Koenig & Bauer shares on the back of a strong final quarter
Koenig & Bauer's shares were also unable to fully escape these negative influences, especially in the first three quarters. At the beginning of the year, investors were initially cautious, causing the share price to decline moderately. The record order intake at drupa at the beginning of June boosted the share price. As the year progressed, global economic and geopolitical uncertainties came to the fore especially in the summer months. This caused short-term corrections, heightening the volatility of the share price, which hit a low for the year of €7.25 in October. The preliminary positive effects of the "Spotlight" focus programme, the announcement of the planned reorganisation of the Group and the entry of a new major shareholder provided fresh impetus, prompting a significant increase in the share price in the fourth quarter of 2024. As a result, the Koenig & Bauer share

peaked on 27 December 2024 with a Xetra closing price of €15.18, closing the year at €15.16, equivalent to an increase of 25.29% over the previous year. Consequently, the Koenig & Bauer share significantly outperformed the SDAX (down 1.87%) and also the DAX (up 18.85%) over the course of the year.

At around 30,000 shares in the year under review, average daily trading volumes of Koenig & Bauer shares doubled over the previous year.

Koenig & Bauer share performance indicators

€	2023	2024
Earnings per share	0.16	**-4.24**
High for the year	20.20	**15.18**
Low for the year	9.93	**7.25**
Price at the beginning of the year[1]	16.68	**12.10**
Price at the end of the year[1]	12.10	**15.16**
Number of bearer shares outstanding	16,524,783	**16,524,783**
Market capitalisation at the end of the year (m)	200.00	**251.00**
Cash flow per share	-1.9	**4.5**
Dividend	0.00	**0.00**

1 Xetra closing price, source: Bloomberg

No dividend distribution planned for the 2024 financial year

In view of the earnings performance in 2024 and the persistently challenging global economic environment, the Executive Board and the Supervisory Board will be proposing at the annual general meeting that a dividend be omitted for the financial year as a result of the net loss reported by Koenig & Bauer AG. As Koenig & Bauer attaches great importance to ensuring the appropriate participation of its shareholders in the company's success, the dividend policy provides for the distribution of a dividend of 15 – 35% of consolidated earnings, with a minimum dividend of €0.30 per share, subject to profitable business performance during the year.

Koenig & Bauer with a free float of 58%

Under the Deutsche Börse definition, free float includes all shares not held by principal shareholders (i.e. those holding more than 5% of the share capital). On the basis of the voting right notifications received, Koenig & Bauer thus has a free float of 58% of the total of 16,524,783 bearer shares outstanding as of 31 December 2024. The following notifications of voting rights over 3% had been received as of 31 December 2024:

Koenig & Bauer AG shareholder structure

	Number of shares	Percentage
Koenig'sche Shareholders' Association, Germany	2,751,704	**16.70%**
Leibinger Consulting AG, Feusisberg, Switzerland	2,490,786	**15.07%**
AlternInvest GmbH, Vienna, Austria	1,683,428	**10.20%**
Hauck & Aufhaeuser Fund Services S.A., Munsbach, Luxembourg*	1,645,132	**9.96%**
Universal-Investment-GmbH, Frankfurt/Main*	1,637,417	**9.91%**
Union Investment Privatfonds GmbH, Frankfurt/Main*	841,693	**5.10%**
Total number of shares outstanding: 16,524,783		

* Free float shareholders in accordance with the Deutsche Börse definition.

Dialogue with the capital market

In addition to regular financial reporting, exchanges with capital market players mostly took the form of personal contact at various events in 2024. This year, for example, the shareholders were again invited to a physical annual general meeting in Würzburg, which focused not only on the current business figures but also on the company's strategic alignment. The Capital Markets Day in May, which took place during the drupa industry trade fair in Düsseldorf, provided a special platform for dialogue with investors and analysts. In addition to detailed insights into the market strategy and the progress being made in the digitisation of the product portfolio, the participants were able to experience impressive product demonstrations that underlined Koenig & Bauer's innovativeness.

In addition, participation in capital market conferences as well as cooperation with banks and brokers that actively cover the company formed central elements of the ongoing and intensive dialogue. With their regular price assessments and industry studies, financial analysts make a significant contribution to strengthening investor confidence and promoting transparency about the company's current performance. At the time of writing, three analysts rated Koenig & Bauer shares as a “buy” and four analysts as a “hold”. The consensus target price was €15.99.

99th Annual General Meeting of Koenig & Bauer AG:
Last year, the 99th annual general meeting of Koenig & Bauer AG was held on 26 June 2024 at the Würzburg Vogel Convention Center. All in all, around 70% of the company’s share capital was represented at the physical annual general meeting, significantly more than in the previous year.

The shareholders re-elected Professor Dr.-Ing. Raimund Klinkner, Dagmar Rehm, and Dr Johannes Liechtenstein to the Supervisory Board with a large majority. In addition to the successful elections to the Supervisory Board, eleven other items on the agenda required resolutions by the shareholders, including the approval of the remuneration report and the revised remuneration system for the members of the Executive Board, as well as resolutions authorising the Executive Board to acquire treasury stock. In addition, various amendments to the articles of association necessitated approval by the shareholders. These items of the agenda were approved by a large majority, as was the election of PricewaterhouseCoopers as the external auditor and auditor of the consolidated financial statements, plus the ratification of the activities of the Executive Board and Supervisory Board.

A detailed overview of the individual voting results and the key statements can be found under “Annual General Meeting” in the Investor Relations section of the website.

As always, the Investor Relations department is available to investors at any time by phone on +49 (0) 931 909-4085 or in writing (investors@koenig-bauer.com) to answer any questions concerning the shares and the Company. Updated information is also available in the Investor relations section of the website at www.koenig-bauer.com/de/investor-relations/, where you will also find financial reports, presentations and webcasts as well as the latest financial calendar and information on the share.

Combined management report

Detailed index

Corporate structures

Company profile

Koenig & Bauer is an international system provider with a particular focus on special printing applications, especially in the packaging sector. The business model is based on an integrated approach that covers the entire production cycle. As a pioneer in printing press engineering with over 200 years of experience, Koenig & Bauer enables people all over the world to purchase a variety of products that go far beyond classic printed products. These include packaging for the food, beverage, pharmaceutical, consumer goods and cosmetics industries, as well as banknotes, decorations, laminates plus magazines, books and newspapers.

The wide range of possibilities is also reflected in the flexibility of the substrates that can be used, including paper, cardboard and corrugated board, films, glass, hollow bodies and sheet metal – all these materials can be printed, decorated, finished and post-processed. Analogue, digital and hybrid printing presses, post-print systems and services are used. With myKyana, Koenig & Bauer offers a central customer portal that, as a constantly growing platform, pools data- and AI-based digital products, workflows and services, thus providing access to the digital world of the company. With its pioneering technologies, such as innovative security solutions to prevent counterfeiting and manipulation, Koenig & Bauer connects the analogue printing world with the digital one. This shows that the targeted use of artificial intelligence optimises production processes, enhances efficiency and promotes sustainability. The company therefore has one of the broadest product and solution portfolios in the industry. The comprehensive expertise derived from addressing many sub-markets forms a solid basis for innovation and for new applications – including outside the core markets. Koenig & Bauer holds a leading position in numerous markets worldwide and is the market and technology leader in the growing market of packaging printing and banknote printing. Service business, which is becoming increasingly digital and non-cyclical, is to be expanded and will account for around 30% of Group revenue in the long term.

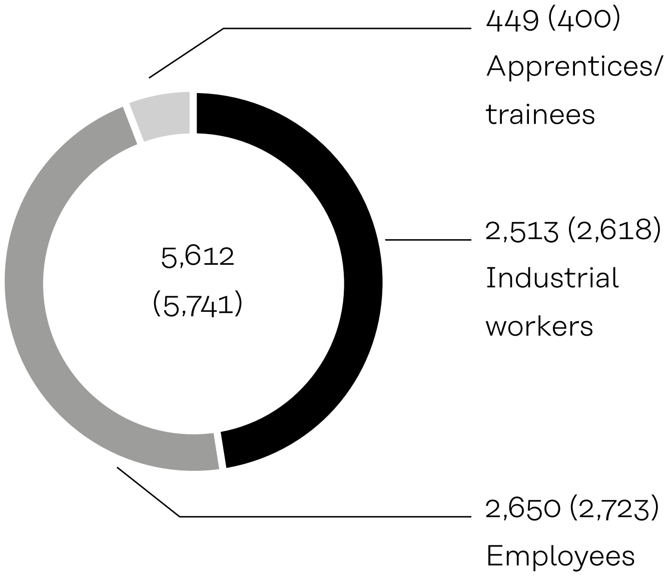
Global presence and employees

Koenig & Bauer’s global footprint is reflected in the Group export ratio of 87.1% (previous year: 86.9%). Eleven production sites in Europe result in a high level of vertical integration in production, ensuring reliable supplies and production. Numerous sales and service organisations also contribute to the global footprint.

Koenig & Bauer promotes a culture of innovation and has been closely involved in vocational training since its foundation over 200 years ago in order to maintain its technological lead and to address the shortage of skilled workers and the effects of demographic change. With numerous training opportunities at the Koenig & Bauer Academy and the Koenig & Bauer Campus learning management system, the company is continuously developing its employees and also ensuring requirements-oriented succession planning. The Koenig & Bauer Group had 5,612 employees worldwide as of 31 December 2024 (previous year: 5,741).

Under the “Spotlight” focus programme, around 300 full-time positions – mostly in Würzburg – were eliminated in the specific spotlight areas via a guided voluntary programme. The measures included a wide range of instruments, including voluntary termination benefits, a reduction in weekly working times from 40 to 35 hours and voluntary salary waivers. In addition, flexible working time instruments such as a reduction in outstanding vacation entitlement were also applied. As in the previous year, short-time working was used to a minor extent at five (previous year: two) locations due to capacity utilisation factors.

Workforce as of 31 December 2024



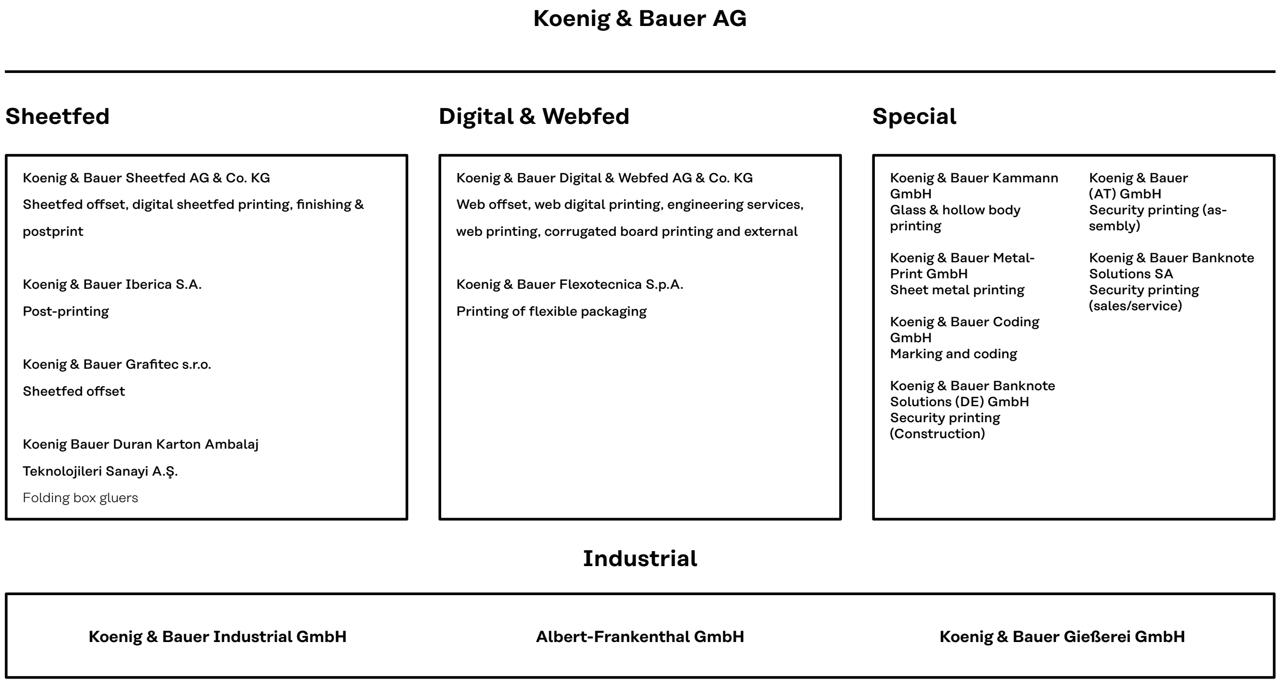
Ahead of the training year starting in September 2024, the company retained its training policy to offer young talents an apprenticeship and, thus, a career perspective. In this way, it is covering its high demand for qualified specialists through in-house training. In 2024, a total of 159 (previous year: 168) apprentices and dual-course students embarked on the first steps of their new careers at the Koenig & Bauer Group. The company has reached its maximum trainee capacity this year. In order to continue providing high-quality training and using its resources efficiently, it has stabilised the number of newly admitted trainees at a comparably high level. In this way, it was possible to fill all advertised apprenticeships again. In addition, the job profiles offered were further diversified to take account of Koenig & Bauer's future requirements. The largest career groups are mechatronics technicians, industrial mechanics and IT specialists. They already have the promise of a permanent employment contract upon the successful completion of their apprenticeships.

Sustainability

Koenig & Bauer's "Exceeding Print" strategy comprises three central pillars: sustainability, digitalisation and modularisation. In this way, the company is driving forward the development of the packaging industry and setting an example for sustainable business. The packaging industry faces the challenge of reconciling sustainability and profitability. Regulations such as the EU Packaging & Packaging Waste Regulation (PPWR) call for more recyclability, less plastic and the use of recyclates, while consumers expect sustainable packaging. At the same time, companies are under cost pressure. Koenig & Bauer meets this dichotomy by offering innovative solutions that achieve both ecological requirements and economic goals.

Koenig & Bauer complies with its statutory reporting obligations by publishing a separate non-financial Group report, which can be found on pages 141 ff. as a separate part of this annual report and contains references to the combined management report. The Corporate Sustainability Reporting Directive (CSRD) had not yet been transposed into German law on the date on which this annual report was prepared (March 2025). This separate non-financial Group report was therefore prepared in accordance with Section 315c in conjunction with Sections 289c to 289e of the German Commercial Code and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the "EU Taxonomy Regulation"). No framework was used in the year under review. It can be assumed that disclosures will be made in accordance with the ESRS from 2025 onwards.

Further information is available on the company's website at www.sustainability.koenig-bauer.com.



Decentralised organisation with a holding company structure

Group structure (until 31 December 2024)

The Koenig Bauer & Group is composed of Koenig & Bauer AG as the holding company and its subsidiaries. As of 31 December 2024, 37 (previous year: 37) companies were included in the consolidated financial statements in addition to Koenig & Bauer AG. Two companies are accounted for using the equity method (previous year: two companies).

The annual financial statements of Koenig & Bauer AG are prepared in accordance with the provisions of the German Commercial Code (HGB) supplemented by the provisions of the German Stock Corporation Act (AktG) and can be found on page 59 ff.

As shown in simplified form in the diagram setting out the 2024 Group structure, the production subsidiaries are allocated to the three segments Sheetfed, Digital & Webfed and Special on the basis of their business activities. The domestic and foreign companies, which mostly offer sales and service functions for several segments, are allocated to the segments in accordance with their activities. Similarly, the business units defined as production service providers ("Industrial", in the chart showing the Group structure in 2024) are allocated to the three segments on the basis of their activities. Industrial acts as a production service provider within the Group, manufacturing high-precision components for printing presses in conjunction with other companies. It specialises in precision-machined large parts made of cast iron or steel, complex prismatic rotating parts, gears, curves, sheet metal assemblies, rollers and the environmentally friendly coating of rotating parts. In addition, Industrial offers further services such as assembly, engineering and logistics.

New Group structure (in 2025)

In December 2024, the new segmentation was also announced as an element of the optimisation of governance at the Koenig & Bauer Group. This enhancement of the segment structure that was introduced ten years ago is aligned even more closely to current and future customer needs as well as the applicable business model, thereby streamlining the structures and reducing the number of segments in 2025 from three to two: Paper & Packaging Sheetfed Systems (P&P) and Special & New Technologies (S&T). However, the Group will continue to focus on the high-growth packaging market.

With this alignment, Koenig & Bauer AG as a holding company is streamlining its tasks and assigning more operational responsibilities to the two segments. In addition to pursuing the Group's strategic responsibilities, the holding company will continue to provide shared services, such as IT, human resources, investor relations, communications, central purchasing and financial services, for all Group subsidiaries.

Furthermore, the domestic and foreign sales and service companies as well as "Industrial" as a production service provider are allocated to the two segments on the basis of their activities.

The members of the Executive Board are closely integrated in the strategic management of the segments. Looking forward, this will make it possible to reduce the number of members to just two, namely Chief Executive Officer and Chief Financial Officer. In the course of 2025, further steps to reorganise the Executive Board will be taken incrementally.

The chart shows in simplified form the future group structure, which will be expanded in the S&T segment in the course of the 2025 financial year.

Holding Koenig & Bauer AG

Paper & Packaging Sheetfed Systems (P&P) segment

- Koenig & Bauer Sheetfed AG & Co. KG – Sheet metal offset, digital sheetfed printing, finishing & postprint
- Koenig & Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş. – Folding box gluers
- Koenig & Bauer Iberica S.A. – Post-printing
- Koenig & Bauer Celmacch S.R.L.* – Chroma Series corrugated board activities
- Koenig & Bauer Grafitec s.r.o. – Sheetfed offset
- Koenig & Bauer Durst GmbH* – Single-pass sheetfed printing systems and software services

Special & New Technologies (S&T) segment

- Koenig & Bauer Kamann GmbH – Glass & hollow body printing
- Koenig & Bauer Metal-Print GmbH – Sheet metal printing
- Koenig & Bauer Coding GmbH – Marking and coding
- Koenig & Bauer Banknote Solutions (DE) GmbH – Security printing (construction)
- Koenig & Bauer (AT) GmbH – Security printing (assembly)
- Koenig & Bauer Banknote Solutions SA – Security printing (Sales/service)
- Koenig & Bauer Digital & Webfed AG & Co.KG – (Web offset, web digital printing, engineering services, web printing, corrugated board printing and external)
- Koenig & Bauer Flexotecnica S.p.A. – Printing of flexible packaging

Industrial

- Koenig & Bauer Industrial GmbH
- Albert-Frankenthal GmbH
- Koenig & Bauer Gießerei GmbH

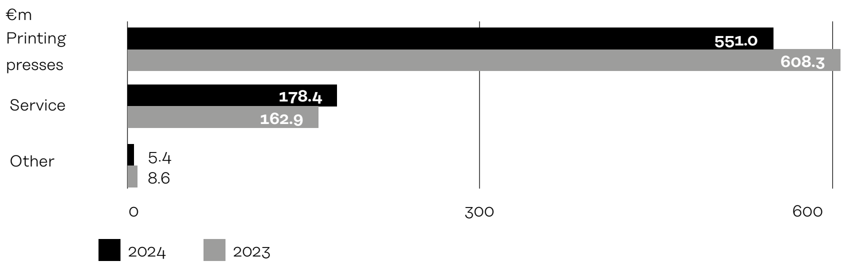
Business activities of the segments

Three segments (until 31 December 2024)
In line with its operating business, the internal reporting structure is divided into the following segments: Sheetfed, Digital & Webfed and Special. These also form the reportable segments in accordance with IFRS. Segment revenue is split into printing presses, services, including spare parts (service) and miscellaneous business. Services include both digital and classic services.

The **Sheetfed** segment offers a comprehensive range of sheetfed offset presses under the "Rapida" brand – from half to super-large formats – for packaging and commercial printing. In addition to classic sheetfed offset technology, it offers a digital printing solution in the form of the VariJET 106 via the joint venture with Koenig & Bauer Durst. The sheetfed digital printing press can also be equipped with sheetfed offset units and postprint facilities for hybrid production. The segment addresses the growing packaging market with a 360-degree packaging workflow for folding carton production. This covers all main production steps: analogue, digital or hybrid printing and finishing of the sheets, flatbed or rotary punching, folding and gluing of the printed and punched sheets and finished packaging using folding box gluing machines. The range is supplemented by comprehensive service and support with a particular focus on "Technology – Service Select" and "Productivity – Service Complete". The latter includes, for example, the seamless digital workflow and digital products such as KYANA for process optimisation and VisuEnergy X for sustainable energy management.

The following chart shows the revenue generated from press and service business in the Sheetfed segment. The share of service business widened slightly to 24.3% over the previous year (20.9%) due to the smaller proportion of press business. Efforts are continuing to achieve the Group target of around 30%.

Sheetfed revenue by product group



The **Digital & Webfed** segment offers a broad range of printing presses and systems that cover the letterpress printing (flexo printing), planographic printing (web offset) and digital printing processes.

In addition to web offset presses for newspaper, heatset and publication printing, the range also includes digital web presses. One example is the RotaJET platform, which is the world's only industrial digital printing press. In addition to the packaging and commercial printing submarkets, it also addresses industrial printing, specifically decorative and beverage carton printing. Fitted with flexo systems and painting options, the RotaJET enables hybrid production processes. The web digital printing activities are supplemented with the HP PageWide T1190 and T700 printing systems for pre-printing corrugated-board cover layers and the HP PageWide T500 for monochrome letterpress printing, which are assembled in conjunction with HP.

The range also includes CI flexographic printing presses in various performance classes, which permit a modular structure with up to ten printing units and optional inline finishing units. Suitable for printing plastic films, paper and laminates, they are primarily used in the production of flexible packaging, especially for the food industry.

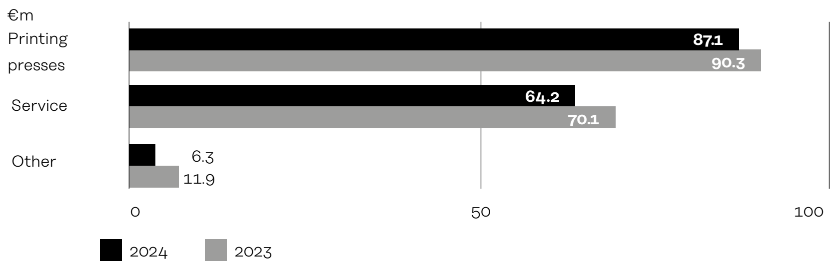
Various automation modules aligned to the individual needs of the web presses – for example, integrated paper logistics and tailor-made workflow solutions – are available.

Following the acquisition of Celmacch Group S.r.l. in 2022 in combination with Celmacch's proprietary highboard corrugated board system and chroma product range, Koenig & Bauer addresses all price and performance classes for corrugated board direct printing. In collaboration with the Koenig & Bauer Durst joint venture, the range is supplemented with a postprint digital printing solution.

In addition to the range of presses, the segment offers comprehensive services such as upgrades and retrofits as well as remote monitoring using digital tools, tailor-made training and individual service contracts.

The following chart shows the revenue generated in press and service business in the Digital & Webfed segment. As in the previous year, 40.7% of the segment's revenue was accounted for by services, with newsprint presses exhibiting a downward trend.

Digital & Webfed revenue by product group



The **Special** segment comprises the activities pursued by Banknote Solutions (banknote and security printing), Kammann (direct decoration of hollow bodies), MetalPrint (metal packaging) and Coding (marking solutions for all industries).

Banknote Solutions develops specialised presses for banknote and security printing. The range of services also includes expertise in banknote and security design, the related design software, prepress solutions and security elements. These products and services are used by central banks and private printers to produce banknotes. The range is supplemented by innovative security and authentication solutions, such as the ValiCash™ smartphone app for verifying banknotes, and by quality control systems for electrode foils in battery cell production.

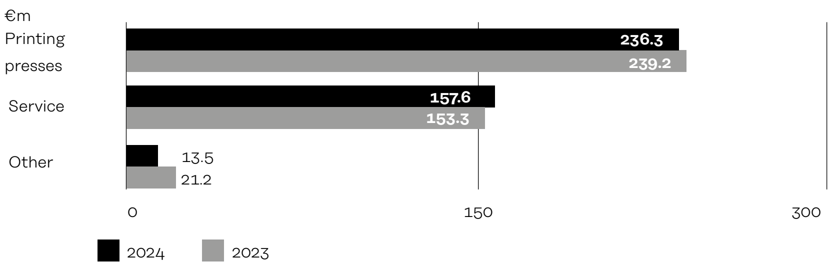
Kammann supplies printing systems for the direct decoration of glass or plastic hollow containers. The following decoration methods are used: digital printing, screen printing, hot stamping and labelling. Hybrid solutions permit these processes to be combined in a single press, thus offering a high degree of flexibility in the design of the printed image and enabling special effects and unique designs for individual packaging solutions. Directly decorated glass containers are mainly used for cosmetics, perfume and spirits products in the premium segment.

MetalPrint provides end-to-end printing and painting lines in a wide variety of configurations. The range thus includes both offset and digital sheet metal printing presses, varnishing machinery and various drying systems with integrated exhaust air purification. To decorate a 3-piece can – which is mainly used for food – complete production lines that print, paint and dry tinplate sheets are utilised. With the recent introduction of digital printing solutions – METJET ONE in partnership with Neos and MetJET PRO in conjunction with DURST – MetalPrint is expanding the scope for individualisation and flexibility in production.

Coding complements the Special segment's portfolio by offering labelling solutions for a wide range of industries, from pharmaceutical and cosmetics to automotive and electronics. Variable data, logos and barcodes are printed, marked and coded on different substrates on a just-in-time basis. Production reliability and speed in conjunction with an excellent typeface are of crucial importance in order, for example, to apply the best-before date or batch traceability information accurately. Manipulation-proof labelling and seamless product traceability are becoming increasingly important.

The following chart shows the revenue generated in press and service business in the Special segment. Whereas new press revenue declined slightly, the share of service business widened marginally as in the previous year. It stood at 37.1%, up from 33.4% in the previous year.

Special revenue by product group



Two segments (in 2025)
All the previous Sheetfed activities will be consolidated within the new **Paper & Packaging Sheetfed Systems (P&P)** segment. This also includes the activities of the Koenig & Bauer Durst joint venture. As well as this, the corrugated cardboard activities for the Chroma series bundled under the Celmacch joint venture, which were previously assigned to the Digital & Webfed segment, will be allocated to this segment due to the close technological and customer overlap between folding box and corrugated cardboard producers. In addition to commercial printing solutions, the P&P segment will be focusing on end-to-end solutions for the high-growth folding box and corrugated cardboard box markets, addressing all aspects such as the preprint stage with an integrated digital workflow and postprint processing.

Looking forward, the **Special & New Technologies (S&T)** segment will consolidate the previous activities of the Special segment (special presses for banknote and security printing, systems for industrial marking and coding and special systems for metal and glass/hollow container direct printing), as well as the remaining activities of the former Digital & Webfed segment. This includes web-based printing processes such as the "RotaJET" web digital printing presses and the systems developed in partnership with HP for preprinting corrugated-board liners and letterpress printing, CI flexo printing presses and web offset presses. The future S&T segment will also include the new autonomous Vision & Protection (inspection systems and product safety) and Kyana (former Digital Unit), as well as the joint venture established between Koenig & Bauer and PowerCo SE for the development of dry coating for battery cell production. The former Digital & Webfed segment will be reported on separately for a certain period in the interests of greater transparency.

Management and governance

Koenig & Bauer AG is a public limited company ("Aktiengesellschaft") under German law with a dual management structure. Its Executive Board consisted of four members as of 31 December 2024:

- **Dr Andreas Pleßke**
  (Chief Executive Officer; appointed until 31 December 2025)

- **Dr Stephen Kimmich**
  (Deputy Chief Executive Officer, Chief Financial Officer and Segment Chief Executive Officer Special*; appointed until 31 March 2026)

- **Christoph Müller**
  (responsible for the Digital & Webfed segment, appointed until 30 June 2026)

- **Ralf Sammeck**
  (responsible for the Sheetfed segment, appointed until 30 June 2025)

The restructuring of Koenig & Bauer AG has resulted in changes to central responsibilities for operations as well as cross-sectional functions. Consequently, the previous role of a central Group COO will no longer be required. For this reason, a mutual agreement was reached between the company and Michael Ulverich, Chief Operation Officer – Production, Purchasing and & Logistics, under which he left the company as a member of the Executive Board effective 30 November 2024.

This change means that there is one business allocation plan up to 30 November 2024 and another one from 1 December 2024. The two business allocation plans presented show the allocation of responsibilities to the Executive Board areas and segments as well as the distribution of functional responsibilities.

Since 1 December 2024, further functions and areas of responsibility have been assigned to the first management level below the Executive Board and are supervised by the latter, which holds overall responsibility. Christian Steinmaßl joined the first management level below the Executive Board on 1 December 2024 and reports to the Executive Board. He is

Business allocation plan of the Koenig & Bauer AG Executive Board – valid from 1 April 2024 (replaces the version dated 7 December 2023)

Chief Executive Officer – Dr Andreas Pleßke	Deputy Chief Executive Officer – Dr Stephen Kimmich	Executive Board – Christoph Müller	Executive Board – Ralf Sammeck	Executive Board – Michael Ulverich
The Chief Executive Officer represents the Executive Board and the management in relations with the Supervisory Board and its committees. He is responsible for:	The Deputy Chairman of the Executive Board represents the Chairman of the Executive Board in the event of the latter's absence and supports him within the framework of an internally defined project and task distribution plan			
• Group human resources • Strategic Group development • Compliance & Audit • Corporate responsibility (ESG) • Corporate development • Marketing • Public relations • Legal and insurance	• Finances, accounting, taxes • Information technology (IT) • Investments • Investor relations • Group controlling & consolidation • Operationalcorporate planning • M&A processes • Responsibility for Special segment*	• Responsible for "Digital & Webfed" segment • Management of Koenig & Bauer Digital & Webfed • Group-wide service coordination	• Responsible for "Sheetfed" segment • Management of Koenig & Bauer Sheetfed • Group-wide sales coordination • Group-wide coordinationof the digital transformation • Brand ownership management • Group key account management	• Responsible for "Industrial" and Foundry • Group-wide strategic purchasing • Operational purchasing and scheduling (holding company, D&W, Industrial, Banknote Solutions, Sheetfed) • Intellectual property • Corporate technical standards • Press platform concept

* Effective 1 April 2024, the Supervisory Board assigned Dr Stephen Kimmich responsibility for the Special segment on the Executive Board.

responsible for Industrial and Foundry, Group strategic purchasing, operational purchasing and scheduling, quality management and the Vision & Protection and Digital Unit.

Business allocation plan of the Koenig & Bauer AG Executive Board – valid from 1 December 2024 (replaces the version dated 1 April 2024)

Chief Executive Officer – Dr Andreas Pleßke	**Deputy Chief Executive Officer – Dr Stephen Kimmich**	**Executive Board – Christoph Müller**	**Executive Board – Ralf Sammeck**
The Chief Executive Officer represents the Executive Board and the management in relations with the Supervisory Board and its committees. He is responsible for:	The Deputy Chairman of the Executive Board represents the Chairman of the Executive Board in the event of the latter's absence and supports him within the framework of an internally defined project and task distribution plan		
• Group human resources • Strategic Group development • Compliance & Audit • Corporate responsibility (ESG) • Corporate development • Marketing • Public relations • Legal and insurance	• Finances, accounting, taxes • Information technology (IT) • Investments • Investor relations • Group controlling & consolidation • Operationalcorporate planning • M&A processes • "Special" segment	• Responsible for "Digital & Webfed" segment • Group-wide service coordination	• Responsible for "Sheetfed" segment • Management of Koenig & Bauer Sheetfed • Group-wide sales coordination • Brand ownership management • Group key account management • Machine platform concept

As part of the strategic realignment of the Group and the planned transition to a new generation, Christoph Müller resigned on 10 March 2025 from his position on the Executive Board with effect from 31 March 2025. He will continue to assist Koenig & Bauer as an executive advisor.

From that date, Christian Steinmaßl will be responsible for Digital & Webfed within the new Special & New Technologies segment in addition to his previous responsibilities.

Goals and strategy

“Exceeding Print” corporate strategy
In December 2021, Koenig & Bauer adopted the “Exceeding Print” strategy, thus defining its medium-term strategic thrust. Reflecting the motto “Strengthen strengths”, the strategy focuses on the company’s proven core skills, expanding them systematically and innovatively in the interests of greater sustainability, digitalisation and modularity. Over the past three years, Koenig & Bauer has made significant progress in these key areas and thus positioned itself for the future. The presentation of new presses and digital solutions at drupa – the world’s leading trade fair for printing technology – highlighted the successes achieved.

Now the focus is on successfully establishing these innovations on the market with a systematic go-to-market approach and intensified sales activities. This development process underlines Koenig & Bauer’s transition into an agile technology group that is actively shaping the transformation of the printing and packaging industry and paving the way for future success.

… for more sustainability – bringing solutions to market in a targeted manner
Sustainability is one of the greatest challenges of our time and at the same time a significant opportunity. The packaging and printing industry must find a way that combines both ecological responsibility and business success, especially in the face of mounting cost pressure. Recent legislative changes, such as the new EU Packaging & Packaging Waste Regulation (PPWR), are forcing the industry to make profound changes. The purpose of this legislation is to reduce the amount of packaging waste, to encourage reuse and recycling and to harmonise packaging standards in the EU. In addition, the European product passport will be introduced and is to provide detailed information on the composition and disposal of products to ensure transparency and a functioning circular economy. These developments are closely linked to digitalisation, which is opening up new opportunities for tracking and optimising products and processes. In addition to the company’s own sustainability goals, regulatory framework conditions – particularly the European Green Deal – are key drivers of this development. Koenig & Bauer is meeting this dichotomy with innovative solutions that combine answers to ecological and business requirements. It is committed to the development and implementation of resource-saving technologies that promote energy efficiency, reduced consumption of materials and a circular economy. These technologies specifically support customers in implementing their own sustainability strategies. One example of this is VisuEnergy X, an energy management system that enables real-time monitoring of energy consumption, identifies potential savings and supports more resource-efficient production. In addition, the latest HighEcon and EcoTNV systems from Koenig & Bauer MetalPrint significantly help to reduce energy consumption. They cut gas consumption by up to 70% compared to older installations.

The presentation of the Green Dot Award by Koenig & Bauer to its customers forms an integral part of the sustainability strategy, highlighting the company’s commitment to environmentally conscious innovations in the printing industry. With the award, which was presented for the second time at drupa 2024, Koenig & Bauer is honouring the best practices by its customers that demonstrate the compatibility of environmental responsibility and business success. The award-winning best practices show that environmental awareness and business success go hand in hand: technologies that reduce the consumption of waste, energy and ink not only increase environmental friendliness but also boost the efficiency of production processes.

With its systematic go-to-market approach, Koenig & Bauer is ensuring that these innovative sustainability solutions are established on the market and driving sustainable change in the printing and packaging industry.

… for more digitalisation – bringing solutions to market in a targeted manner
The digital transformation of the printing industry is progressing – and Koenig & Bauer is actively involved in shaping it. For the company, digitalisation encompasses not only digital printing presses but also digital products, workflow solutions, business models and processes as well as the targeted expansion of internal digitalisation.

At drupa 2024, Koenig & Bauer presented a series of digital innovations aimed at boosting efficiency, productivity and sustainability in the printing process. The solutions presented included Kyana, the company’s digital intelligence, which organised the live shows as a virtual co-host. The myKyana portal, the central platform of Koenig & Bauer’s digital product world, illustrated the transformative power of digitalisation for the printing industry.

Two other digital innovations – ValiPACK and FOLLOW – were also unveiled at drupa. ValiPACK is a brand security solution that offers protection against product counterfeiting by combining microstructures, special printing inks and digital watermarks, which can be verified via a smartphone app. FOLLOW is a connected packaging solution that transforms packaging into end-to-end, multimedia communication channels. In addition, FOLLOW permits the integration of information on ingredients, recyclability or product origin and thus meets future regulations such as the European product passport. This functionality highlights Koenig & Bauer's strategy of developing sustainable packaging solutions that meet the future requirements of a transparent and responsible value chain.

Koenig & Bauer optimises its internal processes with digital solutions such as Google Workspace for mobile work and SAP S/4HANA for more efficient processes. In addition, it uses Gemini AI to improve knowledge management, for example, by providing employees quickly with information from internal databases. Multilingual communication is also facilitated, as documents can be translated into different languages. AI also contributes to process optimisation by analysing large amounts of data and rendering internal processes more efficient. The company attaches maximum importance to the protection of sensitive data. Strict privacy policies are in place to ensure that all data is kept confidential and used only for authorised purposes.

With its systematic go-to-market approach, Koenig & Bauer is ensuring that these digital innovations are introduced into the market in a targeted manner – and thus helping to boost the efficiency and competitiveness of the industry.

… for more modularity – bringing solutions to market in a targeted manner

The growing individualisation and complexity of the printing industry requires a new balance between standardisation and flexibility. Koenig & Bauer is stepping up to this challenge by pursuing a consistent modularisation strategy. The goal is to enable faster innovation cycles, more efficient production processes and greater adaptability through modular machine platforms.

At drupa 2024, the progress made in this area was presented – particularly at TechDay 2024, which was dedicated to knowledge transfer and the shared development of innovative solutions. One example of the modularisation strategy is the "Digital Twin" pilot project presented by Koenig & Bauer in collaboration with Siemens. Using the sheet feeder of a Rapida 106 as an example, it demonstrated how a standardised and modular automation platform can accelerate press development and commissioning in addition to optimising service and after-sales processes. The partnership with Siemens is also underpinning the further development of digital solutions. State-of-the-art technology allows detailed machine and condition data to be collected and analysed, providing the basis for innovative applications in predictive maintenance, performance optimisation and virtual product configuration.

As well as this, the modularisation strategy is being supported by the establishment of the Group Sales unit. In this way, synergistic benefits arising from cross-segment sales are being used to optimise cross-selling. The Group's key account management acts as a trusted advisor, while brand ownership management promotes dialogue with international manufacturers and packaging suppliers on new printing and packaging technologies.

With its systematic go-to-market approach, Koenig & Bauer is launching these modular concepts on the market in a targeted manner. They enable customers to structure their production processes flexibly and individually, while at the same time benefiting from standardised components. The modularisation strategy thus helps to achieve increased efficiency, shorter development times and long-term competitiveness.

"Spotlight" on sustainable earnings growth

Koenig & Bauer is in the "go-to-market" phase with its "Exceeding Print" corporate strategy. However, external and internal factors have led to heightened complexity and rising costs. In order to lead the company strengthened out of this challenging market phase, which is characterised by delayed, inflation-induced increases in personnel and material costs, the Executive Board initiated the "Spotlight" focus programme at the end of 2023.

In February 2024, the programme was announced with the aim of prioritising initiatives and business models that boost earnings and financial strength, while deprioritising initiatives that do not directly impact earnings. Accordingly, the Group-wide project portfolio was to be scaled back to focus on critical modernisation, digitalisation and quality-cost and growth projects and initiatives. There was a particular need for action in the Digital & Webfed and Special segments to harness the strong potential for improving earnings. To this end, Koenig & Bauer worked on the "D&W 2.0" optimisation and earnings-enhancement project as well as the "BNSx" excellence project under "Spotlight".

As the name suggests, the programme focuses on selected "spotlights" and, as announced, was scaled and detailed after drupa on the basis of real effects. It primarily entails measures to improve costs at the holding company and in the Digital & Webfed segment in Würzburg as well as in the Special segment at various locations. In line with the forecast issued at the beginning of the programme, all measures were identified, implemented and finalised in 2024 for the most part. The non-operating extraordinary items required for this mainly relate to adjustments to property, plant and equipment and personnel costs and amounted to €50.4m, thus slightly exceeding the upper end of the target corridor of €30 – 45m, and were recognised in the Group's profit and loss. They are placing a burden on Group EBIT while simultaneously laying the foundations for profitable growth in future years. In total, around 300 full-time equivalents, the majority in Würzburg, were eliminated in the relevant spotlight areas via a guided voluntary program. This had a positive effect on EBIT in 2024, which was mainly attributable to personnel-related measures. This effect exceeded the expected upper edge of €20m and also contributed to the achievement of the updated annual forecast for 2024. In the course of the final implementation of all measures under the "Spotlight" focus programme, further expenses in the low single-digit million euro range are expected in the first half of 2025 to complete the project and underpin the Group's sustainable earnings growth. The company expects gross savings of €40 – 50m in 2025 and €60 – 70m in 2026.

The **"spotlights"** break down as follows as of 31 December 2024:

In order to focus on important areas, the **Group project portfolio was scaled back**. This took different forms, mainly in the Special segment. During the ongoing implementation of the "Spotlight" programme, Koenig & Bauer MetalPrint GmbH identified additional need for action and further potential. In the "Metal 2.0" project, the Executive Board decided to discontinue the CS-MetalCan project for 2-piece beverage can printing in addition to the personnel and material costs adjustments already agreed. This caused the above-mentioned difference of €5.4m. Looking forward, MetalPrint will focus on the growth field of digital printing in addition to maintaining its market-leading position in offset printing presses and coating lines for the metal printing market. In the Digital & Webfed segment, on the other hand, the focus was on reducing complexity. Looking forward, individual variants, modules, additional functions or features will no longer be offered, especially in the flexo sector. Priority is to be given to modernisation, digitisation, quality projects and growth initiatives. By re-prioritising **Group-wide projects and initiatives**, further effects were achieved, resulting from savings in external services, for example. Internal resources that were freed up were allocated to projects and initiatives that are critical for operations and have an impact on earnings.

The **"D&W 2.0" optimisation and earnings-enhancement project** under the leadership of Dr Andreas Pleßke includes organisational, operational and structural measures to safeguard earnings opportunities and reduce costs in the growth markets for flexible packaging, digital printing and corrugated board. The organisational measures have been largely implemented: with effect from 1 June 2024, Philipp Zimmermann assumed the management of Koenig & Bauer Digital & Webfed AG & Co. KG from Christoph Müller, who, as the Executive Board member responsible for Digital & Webfed, will concentrate on sales, service and strategic partnerships to a greater extent. This step also laid the foundations for the ongoing transition to a new generation. Another major operational focus is on eliminating trailing and start-up costs for new product launches in the digital and corrugated board sector as well as streamlining and reconfiguring value-adding and non-value-adding structures and processes in the segment. The overall objective of the structural measures implemented is to overcome the loss situation in the segment by taking internal measures more independently of market expectations and revenue performance over a very manageable period.

In the **"BNSx" efficiency and earnings enhancement project**, overseen by Dr Stephen Kimmich, the focus is on implementing profitability- and earnings-enhancing packages of measures to ensure that the Special segment can sustainably return to its original above-average performance. Therefore, the personnel measures also include MetalPrint and Coding in addition to Banknote Solutions. Following the completion of major R&D projects, the "BNSx" project is to optimise the operational value-creation structures at the site in Mödling (Austria), as well as the overall responsibility of the business unit in Lausanne (Switzerland) and various support and specialist functions in Würzburg. In addition, further targeted measures are being adopted to accelerate the successful market launch of the technologies developed in the Special segment over the past five years and to scale these accordingly.

At Koenig & Bauer AG as the **holding company**, inflation-induced increases in personnel and material costs were addressed with a package of efficiency measures. The rightsizing of the segments carried out as part of "Spotlight", particularly in the Digital & Webfed segment, required an adjustment to the size and structure of the holding company. In connection with the reorganisation of the Koenig & Bauer Group, which was announced on 28 November 2024, the number of segments was reduced to two. Consequently, Koenig & Bauer AG as the holding company is streamlining its tasks and assigning more operational responsibilities to the two segments. In addition to pursuing the Group's strategic responsibilities, the holding company will continue to provide shared services for all Group subsidiaries, including IT, HR, IR, communications, central purchasing and financial services. The members of the Executive Board are closely integrated in the strategic management of the segments. Looking forward, this will make it possible to reduce the number of members to just two, namely Chief Executive Officer and Chief Financial Officer. In the course of 2025, further steps to reorganise the Executive Board will be taken incrementally.

Markets addressed and growth opportunities

With its range of products and services, Koenig & Bauer addresses the sub-markets of packaging, banknote, security, industrial, commercial and publication printing and seeks to make proactive use of market opportunities. Each of these markets offers different growth opportunities, which are described below.

Future opportunities in packaging printing
The Koenig & Bauer Group's focus is on structural and sustained growth in packaging printing. In terms of substrate, cartons (corrugated cardboard boxes, folding boxes and packaging cartons for liquids) are the largest group of packaging materials, followed by flexible packaging, hollow plastic bodies, metal and glass packaging. The company offers products and solutions for all these sub-markets. Several factors are driving growth in packaging printing every year. The most fundamental factor is the steady growth in the world population and, in particular, the increasing number of people who have a medium annual income. Accordingly, the growth in packaging printing correlates with the growth in global gross domestic product (GDP). In addition to rising global consumption, packaging consumption is benefiting from the boom in e-commerce, smaller sizes due to a greater number of one-person households and heightened regulatory requirements. New online markets for food, beverages, pharmaceuticals, cosmetics and fast-moving consumer goods, as well as the trend towards quick commerce, the next stage of e-commerce, are additionally spurring packaging consumption. What is clear, however, is that e-commerce has emerged as the permanent winner of the Covid-19 crisis. On average, global packaging printing is growing at an annual rate of around 4% according to various industry studies, with higher growth rates being registered for flexible packing and boxes. For Koenig & Bauer, the packaging printing markets for food, beverages and pharmaceuticals are particularly attractive as they are less cyclical. Alongside the rising demands of consumer goods producers with respect to product protection, quality, flexibility, cost efficiency and delivery periods, trends in favour of more complex, elegant and colourful packaging will additionally spur capital spending by packaging printers. Packaging is increasingly becoming a brand ambassador, an element supporting sales and an integral part of the product experience, underpinned by brand producers' omnichannel strategies. Unboxing is a core element of the shopping and brand experience. This trend has also been spurred by the pandemic and is continuing unabated. As it is done at

home, all customer contact arises in printed form during the "unboxing" stage. This means that flyers, brochures and other printed products are enclosed in the corrugated cardboard box. In addition, more and more exclusive department stores are sending products ordered online in corrugated cardboard boxes that are printed in several colours on the inside.

Growth opportunities through digital printing and in industrial printing
Analogue technologies such as flexo, gravure, offset and screen printing currently still dominate the global packaging printing sector. According to a recent study by Smithers, the proportion of digital printing accounts for around 4% of total global printing output in terms of quantity and around 18% in terms of value. This is set to increase to around 25% by 2034, while it will widen to only around 7% in terms of quantities. Compared to the previous Smithers study, the proportion of digital printing will therefore continue to increase slightly over the next few years. The greatest changes are expected in the area of packaging. Although digital printing is more expensive compared to analogue processes, it has some important advantages for customers as it permits individual, personalised and versioned printing, even in small print runs. Moreover, it reduces customers' operating expenses by eliminating the need for expensive storage of the sheets, e.g. in the case of printed sheets. As well as this, a skilled printer is not required to operate a digital printing press, something which not only saves costs but also offers a clear road forward given the current shortage of skilled labour. In addition, makeready times and waste materials are eliminated. For reasons of cost, productivity and quality, digital processes such as inkjet printing will only be successful in industrially oriented packaging printing for applications that are economically viable for customers. Technically and economically solid digital printing offers good market opportunities for business models specialising in short runs, greater personalisation and versioning, greater format flexibility and short time-to-market periods alongside other advantages. This calls for strong customer orientation, operational flexibility and quality standards. Following the latest RotaJET orders, Koenig & Bauer sees great potential for this sophisticated, high-quality digital printing solution, because digital web printing opens up entirely new possibilities in the customisation of products, i.e. very small print runs, through to disruptive approaches by changing value chains. It can be assumed that gravure and flexo presses in particular will be replaced by high-performance digital presses for industrial applications over the next few years. Digital printing technology not only simplifies the complexity of design handling but also shortens the time from design to print and offers greater flexibility in order placement and customisation of products. This is an advantage in the light of the trend towards shorter runs, more individualised products and fast time-to-market production. Decors for furniture and flooring are printed products that are becoming more and more sophisticated and creative and are also being replaced increasingly quickly in everyday use. Digital printing is spurring the trend towards individuality and design change as it permits swift production even in very small printruns. In addition, manufacturers are able to test new ideas on the market at low cost and with minimum effort. With digital preprint and direct printing on corrugated board, products can not only be placed in the market safely using water-based, food-certified ink jet ink, for example, but also communicate product information to the end consumer and attract their attention by means of seasonal corrugated-cardboard displays at the point of sale (POS), for example. Packaging is thus increasingly taking on the function of a marketing and sales tool. The multitude of new products and the trends towards versioning and personalisation together with ever shorter marketing cycles are ushering in a change in production requirements for liquid packaging (beverage cartons) and, in the future, also film packaging. As a general principle, improved total cost of ownership is the main driver for the shift from analogue to digital production.

Global demand for banknotes creating stability in security printing
Thanks to its good project situation, very low cyclical exposure and very high barriers to market entry, Koenig & Bauer expects business in security printing presses to remain stable in the long term. Cash remains an indispensable and secure means of payment, especially in the second and third world. In view of the highly intense competition, the newly developed, innovative security features are a decisive differentiator and a unique selling point. Despite the increased use of digital payment methods, global banknote production continues to grow at a moderate rate. Growing prosperity and rising population numbers in emerging markets with their high cash ratios as well as widespread scepticism towards electronic payments mean that there will be no reversal in this trend in the market in the medium term, although developments in some countries will vary. Alongside intensive work on new products and security features, service business for the large installed base is being systematically expanded and will make a good contribution to Group earnings in the medium to long term. With packaging printing contributing a larger share of Group revenue, the influence of volatile security printing business will recede.

Stable conditions in the media-related printing segments
Koenig & Bauer anticipates stable business in sheetfed offset presses for commercial printing.
The global book market is proving to be flat to slightly expansionary. Industrial digital printing has also arrived in the publishing industry. For example, the Italian company Grafica Veneta, a company in the field of letterpress printing, has chosen its American location for a second RotaJET single-pass digital printing press. This means that even smaller runs can be printed more efficiently and in top quality. This allows a swift response to changing market requirements. The configuration of the entire system makes it possible to print and bind a book in less than one minute from the raw paper roll to the ready-to-ship pallet. This revolutionary feature in book printing has the potential to create a new business model in the industry. Web offset presses for newspaper and commercial printing are expected to decline in tandem with lower service business due to further press shutdowns and printshop closures.

Expansion of service with a focus on digitalisation
The Koenig & Bauer Group is more than just a producer of printing and postprint systems. The company sees itself as a provider of end-to-end solutions that help its customers achieve market success. Our services include inspection, maintenance and calibration as well as retrofits/upgrades and service contracts. In addition, spare parts, consumables and accessories for the presses can be ordered online via webshops. Training and consulting services are also provided because innovative presses together with qualified personnel and the identification of potential for improvement in the printshop workflow are crucial for achieving greater productivity and quality along the entire production process. Workflows in the printing industry are becoming increasingly digital and networked. Ever smaller print runs have to be produced in ever shorter times in a high quality and at a competitive price – in this respect, a large, globally and locally positioned, established, yet flexible company such as Koenig & Bauer is able to set itself apart from the competition. For this reason, the Koenig & Bauer Group offers integrated workflow solutions to boost productivity and competitiveness.

Remote diagnosis tools have been part of Koenig & Bauer's control centre technology since 1995. Digitalisation is creating increasingly effective services in this area. "Visual ServiceSupport" gives users and hotline technicians a tool allowing them to see exactly what printers or service technicians see when they are standing in front of the press. They can view processes and sequences in the form of moving images and thus gain a quick and comprehensive overview of the state of the press. This facilitates communications, obviates the need for extensive descriptions and reduces the risk of misunderstandings compared with a conventional telephone conversation. "Visual ServiceSupport" thus helps to increase the first-time-fix rate in service cases. The augmented reality data glasses allow remote maintenance technicians to view exactly what the customer's technicians also see. In this way, Koenig & Bauer saves its customers a lot of money and effort.

Koenig & Bauer's **integrated workflow solutions** are based on the principle of the "networked print factory", in which products, presses and tools constantly share information via RFID chips and sensors. The presses self-configure, switch between different jobs fully automatically and support the operators in their work. This requires tight integration of all business processes with production and the measurement and control systems fitted to the presses. It is achieved by linking data from sales, order preparation, planning, production, controlling, logistics and also web-to-print systems. Information from all process steps along the value chain is available enterprise-wide and in real time. This gives management a 360-degree view of the company. The demonstration centre for digital networking solutions in Radebeul has various workflow solutions on display. As different presses and programmes are used in each individual case, the optimum workflow cannot be bought off the peg, which is why Koenig & Bauer advises its customers individually.

With "Predictive Maintenance & Services", the company offers its customers a pre-emptive service for its presses and systems up to 28 days in advance to identify faults before they occur and cause unplanned downtimes. This uses the sensor data and performance data of the presses installed and networked in the market to identify and proactively prevent a potential malfunction before it occurs using complex algorithms and artificial intelligence methods.

The "myKyana" digital customer portal offers customers access to all digital products and services from Koenig & Bauer. It gives customers access to service management, the performance data of their presses and an overview of the main key performance indicators (KPIs) of the press – at any time and from anywhere. The automated predictive maintenance service cases and the information provided by the service engineers assist in converting unplanned machine downtimes into planned ones. This enables customers to become faster, better and more efficient – with the goal of achieving almost 100% productivity.

Markets outside the printing industry
Koenig & Bauer has also discovered new markets for itself outside the classic markets of the printing industry. Examples include the partnerships with Volkswagen subsidiary PowerCo SE and Mitsubishi Electric in response to the expected increase in demand for lithium-ion batteries due to the growing popularity of electric vehicles. According to calculations by the Boston Consulting Group, supplies of lithium-ion batteries will need to increase tenfold by 2030 to meet market demand.

Partnerships and cooperations

Koenig & Bauer specifically uses partnerships and cooperations to promote innovation and growth, including outside the established markets. By working together, synergies can be harnessed and the defined goals achieved more quickly and more efficiently. The examples listed here – in the areas of machinery, consumables, digitalisation, new business and sustainability – provide an insight into the diversity of Koenig & Bauer's partnerships and collaborations. This list is not exhaustive.

Partnerships and cooperations in digital printing: Since 2014, Koenig & Bauer has had a **partnership with HP** to develop the world's widest digital printing press. The long-standing partnership strengthens Koenig & Bauer's position in web digital printing and entails the joint production of the HP PageWide T1190 and T700 systems for pre-printing corrugated-board cover layers and the HP PageWide T500 for monochrome letterpress printing. Established in 2019, the **joint venture with the Durst Group develops and markets digital printing systems** and addresses digital direct printing on corrugated cardboard with the CorruJET and the DELTA SPC 130 and digital folding box printing with the VariJET 106. It has also been offering a digital printing press for metal decoration in the form of the MetJET ONE (multi-pass) since 2024. Also since 2024, the company has had a **partnership with Neos** for a single-pass digital printing press, the MetJET PRO.

After being strengthened in 2023, the partnership with **Sealed Air Corporation (SEE)** for RotaJET aims to connect the **physical packaging of digital printing more closely with the digital world**. Under the strategic partnership, the two companies' hardware and software components are undergoing joint further development.

Partnership with Celmacch in the corrugated board market: Since 2022, Koenig & Bauer Celmacch has been selling a comprehensive range of products in all price and performance classes for the corrugated board market with the Chroma range.

Koenig & Bauer places store by long-term partnerships in **consumables**. The **partnership with ACTEGA** (postprint technologies) was extended by three years in 2024, while **System Brunner** has been contributing its core colour management skills to Koenig & Bauer's sheetfed offset technology for over ten years.

In **digitalisation**, Koenig & Bauer relies on a strong partner network to drive forward the transformation of the printing industry. The collaboration with **Google Cloud** (since 2023) enables the efficient management and processing of the enormous amounts of data that are generated in modern print production. With its focus on the manufacturing industry and dedicated industry solutions, Google Cloud supports the digital transformation of the printing and packaging world. Koenig & Bauer has been working with **CoCoCo** since 2024 to reduce the complexity of print production. The partnership aims to simplify the integration of different presses and software modules and thus enhance the efficiency of printing processes. An open and networked production environment that does not confine customers to a single OEM is the purpose of the partnership with **Tessitura** (since 2024). The integration of Koenig & Bauer's myKyana portal achieves a high degree of flexibility, efficiency and transparency in production processes. The partnership with **HYBRID Software** (since 2023), a provider of software solutions for labelling and packaging, enables Koenig & Bauer to offer PrintFusion, an exclusive product for the packaging workflow on Rapida sheetfed offset presses, to optimise the entire production process. As well as this, Koenig & Bauer cooperates with the University of Applied Sciences Würzburg-Schweinfurt and the Steinbeis Research Centre Design & Systems.

Koenig & Bauer is opening up **new business areas** through strategic partnerships that go beyond the traditional printing business. Launched in 2023, the partnership with **Volkswagen subsidiary PowerCo SE** aims to develop a system for the solvent-free dry coating of electrodes, with a proof of concept expected by mid-2025. In the field of industrial image processing, the strategic partnership with **Mitsubishi Electric**, which was established in 2024, combines both companies' strengths to offer standardised, high-quality components for image processing in electrode production. The jointly developed inspection module Qi<+>PRO enables in-line inspection of battery films and other web goods. The 2024 partnership with **Graphic Security Systems Corporation (GSSC)** links GSSC's steganographic technologies with Koenig & Bauer's printing presses and quality control capabilities to develop innovative solutions to combat counterfeiting.

Koenig & Bauer is committed to **sustainability in the printing industry** and beyond. The company is a partner in VDMA's Blue Competence sustainability initiative and a member of the Healthy Printing Initiative, the 4evergreen alliance, the Holy Grail 2.0 project and the R-Cycle community. These activities underscore Koenig & Bauer's commitment to promoting the circular economy and reducing the environmental footprint of the printing industry. In addition, it is committed to social responsibility, one example of this being the partnership with Aflatoun International to promote financial knowledge.

Planning, control and monitoring

Comprehensive set of tools for efficient Group planning and control
The established business management system with differentiated cost accounting provides management with a swift and meaningful set of figures for operational controlling, monitoring and strategic planning and management of the Group and the segments. In addition to central Group controlling for the overarching Group and segment management, the autonomously operating business units have access to controlling resources. The results of the annual strategy process culminate in high-level business planning and are presented in detail in the ensuing integrated budget planning phase. The planning horizon for high-level business planning and budget planning is five years. The budgets for the Group and the segments are based on detailed income statements, balance sheets and cash flow statements for all consolidated Group companies, which are prepared on a monthly basis in the first budget year. Forecasts for the current year are updated on the basis of the reported figures at the same time as the semi-annual and quarterly (Q1 and Q3) financial statements are prepared and also shortly before the end of the year. Scenario analyses simulate different market and cost parameters on a case-by-case basis. Monthly reporting tracks the current business and earnings situation as well as trends in net working capital and is discussed in the monthly earnings meetings. Service reporting permits coordination of the service activities. Roll-over liquidity previews with cash management provide an accurate view of the financial situation. A 24-month liquidity budget is prepared for this purpose. Regular reviews by Group management with the responsible segment managers addressing the economic and financial situation, current trends and forecasts supplement deviation analyses performed by controlling. Measures are defined in the event of any negative deviation in the interests of a swift and targeted response. Systematic implementation of the measures is tracked by close monitoring. Opportunities and risks are detected at an early stage by means of an established budget, forecast and reporting pro-

cess. A risk early detection system has been established to monitor developments and to identify possible threats to the company's going-concern status. The necessary decisions can be made at an early stage on the basis of this comprehensive assessment of Group and segment performance. In the Koenig & Bauer Group, sales and operating EBIT (earnings before interest and taxes, EBIT) are the main financial performance indicators across all segments. In 2024, operating EBIT was introduced as the main financial performance indicator in addition to revenue to support the implementation of the "Spotlight" focus programme and to allow for non-operating extraordinary items arising from the restructuring measures. Operating EBIT therefore replaces EBIT as the main financial performance indicator as of 2024. Operating EBIT is defined as earnings before income taxes, interest income and expenses and other financial income, adjusted for non-operating items. EBIT is adjusted to eliminate the following items:

- Expenses / income from Group portfolio measures (acquisitions, disposals, adjustments and other portfolio-related measures, including changes in goodwill)
- Expenses / income from restructuring projects
- Expenses / income from consolidation changes during the year
- Expenses / income due to the first-time application of Group guidelines with regard to personnel adjustments – expenses for pension plans

In addition, the operating EBIT margin also counts as a financial performance indicator. It is defined as operating EBIT divided by revenue. Since 2024, Koenig & Bauer has been using the operating EBIT margin instead of the EBIT margin as a financial performance indicator.

In addition to these main financial performance indicators, the Executive Board receives reports on order intake, order backlog and service business indicators. Changes in capital employed are monitored on the basis of the cash conversion cycle. The ratio of inventories, prepayments made for inventories and trade receivables less trade payables and customer prepayments to revenue is calculated to determine this indicator. In addition to financial indicators, the Executive Board also tracks non-financial performance indicators, particularly quality assurance costs and staff development. Target agreements providing for variable remuneration components tied to Group, segment and/or personal goals for the year for all executives and non-pay-scale employees heighten motivation and commitment towards the achievement of the company's goals.

Research and development

Koenig & Bauer again focused on digitalisation, workflow and sustainability solutions in its research and development activities in 2024. The results were presented at drupa 2024, which was held under the motto "Think digital" and "Be sustainable", in the form of numerous innovations. Group research and development expenses equalled 4.3% of revenue in 2024 (previous year: 4.3%). As well as this, development costs equivalent to 1.1% of revenue were capitalised (previous year: 1.3%).

The Digital Unit presented the results of its research and development work at drupa 2024. This included myKyana, the central gateway to Koenig & Bauer's digital product world. This platform comprises features such as Kyana Connect for data integration, Kyana Data for production analysis and Kyana Assist, an AI-powered customer service to help customers increase efficiency, profitability and sustainability. In addition, FOLLOW, a connected packaging solution, was unveiled. It transforms packaging into end-to-end, multimedia communication channels with augmented reality features and gamification elements. As well as this, it is geared to future requirements such as the digital product passport and thus helps to improve sustainability and traceability.

At drupa 2024, Vision & Protection presented the results of its research and development activities in the field of security and authentication solutions. These solutions complement the established approach to product protection by adding complex and secret features and additional, traceable and cryptographically secured levels of protection. Technologies such as Daktylo, Ovjera and Stegano demonstrated the effectiveness of these new protection mechanisms against counterfeiting, with a particular focus on material-saving and, thus, sustainable approaches.

The Sheetfed segment demonstrated the technical innovations derived from its research and development work concerning the end-to-end packaging workflow – from prepress to printing and from punching to folding-box bonding. All the equipment presented at drupa – including the Rapida 106 X, the VariJET 106, the CutPRO X 106 rotary die-cutter, the CutPRO Q 106 SB flat-bed die-cutter and the Omega Alius 90 folding-box gluer – features the latest technological developments. PrintFusion, a control system for Rapida machines developed in collaboration with Hybrid Software, highlights the segment's innovativeness along the entire value chain in the packaging workflow.

At drupa, Koenig & Bauer MetalPrint presented the results of the expansion of its digital printing expertise in the sheet metal printing market. These include the MetJET ONE developed with our partner Durst and the MetJET PRO announced with Neos, which set new standards in productivity.
In addition, the "Hydrogen-heated dryer" development project achieved the first positive results. Conventional printing and painting lines use gas-powered dryers to dry paints. By replacing gas with green hydrogen, carbon emissions during production can be significantly reduced, paying off in the more energy-intensive area of metal printing in particular.

In the field of digital web printing, the Digital & Webfed segment has developed the HP PageWide T500 for single-colour letterpress in conjunction with HP. The further development of the RotaJET is continuing to concentrate on printing films with water-based inks. At drupa, an AI-generated decor was also presented for the first time and printed on the RotaJET.

Strategic partnerships, such as those with Volkswagen subsidiary PowerCo SE and Mitsubishi Electric, enable Koenig & Bauer to apply established know-how in new areas of research and development. The results of these partnerships and further information on strategic alliances are described in detail in the chapter "Partnerships and cooperations" on page 32.

Business report

Macroeconomic and industry conditions

According to estimates by the International Monetary Fund (IMF), the global economy again grew only moderately by 3.2% (previous year: 3.3%), and was thus below its historical average of 3.7% (2000-2019). Global inflation declined, reaching an annual average of 4.2% (previous year: 6.8%).

Regionally, the trends seen in the previous year continued. The US economy delivered solid growth of 2.8%, performing better than expected. The largest contribution to growth came from the service sector, while the consumption of goods was muted.

Growth in the Eurozone remained subdued, mainly due to the protracted weakness in manufacturing and exports. Further interest rate cuts by the European Central Bank, the decline in inflation and increased nominal wages had only a limited effect on consumer confidence due to heightened uncertainties and, resulting from this, a preference to save. The ongoing war in Ukraine and the escalation of the conflict in the Middle East continue to weigh on the European economy. The largest growth rate among the European Union member states was again recorded in Spain (3.1%), while Germany registered the worst figure again with contraction of 0.2%. In Germany, economic and structural burdens stood in the way of stronger growth in 2024. These particularly included mounting competition for the German export industry in important sell-side markets, high energy costs, persistently high interest rates and also the uncertain economic outlook. In addition to Germany, Japan also recorded a decline of 0.2%. At 4.8% year-on-year, growth in China fell short of expectations. In India, growth slowed to 6.5% (previous year: 8.2%).

Year-on-year gross domestic product (%)

Country/region	2022	2023	2024 (estimate)
Global	3.6	3.3	3.2
Developed economies	2.9	1.7	1.7
Eurozone	3.3	0.4	0.8
Germany	1.4	-0.3	-0.2
France	2.6	1.1	1.1
Italy	4.7	0.7	0.6
Spain	6.2	2.7	3.1
United Kingdom	4.8	0.3	0.9
United States	2.5	2.9	2.8
Japan	1.2	1.5	-0.2
Emerging markets and developing countries	4.0	4.4	4.2
ASEAN*	5.4	4.0	4.5
Brazil	3.0	3.2	3.7
China	3.0	5.2	4.8
India**	7.0	8.2	6.5
Russia	-1.2	3.6	3.8

*) Indonesia, Malaysia, Philippines, Singapore, Thailand
**) Fiscal year from 1 April to 31 March

Source: IMF World Economic Outlook Update January 2025, for 2022: IMF October 2024 Database.

Demand for capital goods continued to decline in 2024 in the face of ongoing local crises, geopolitical uncertainties and risks. In addition, profound structural changes and excess capacity in some sell-side sectors weighed on the mechanical engineering industry. In contrast to 2023, when order backlogs were high, thus boosting output and sales figures, production was scaled back at many companies, with revenue often down in price-adjusted terms in 2024. According to the German Mechanical and Plant Engineering Association (VDMA), EU machinery production shrank by around 7% in price and calendar-adjusted terms after declining by 1.4% in the previous year, according to initial preliminary figures. Cumulative revenue growth for 2024 is estimated to have reached -6.0%. According to preliminary calculations by the Federal Statistical Office, mechanical and plant engineering production in Germany fell by 7.5% in real terms over the previous year in 2024. VDMA reports that 7.5% fewer machines and systems were ordered in 2024 in price-adjusted terms than in the previous year. Compared to the same period of the previous year, revenue from the sales of machinery and equipment fell by 8.0%.

At the same time, order intake in the printing press segment rose by 7.5% year-on-year in 2024. This was accompanied by a 15.4% decline in revenue over the previous year's figure.

Source: VDMA, "Maschinenbaukonjunktur 2024/Ausblick 2025" dated 13 February 2025

Business performance

Overall statement on business performance
The Koenig & Bauer Group's business performance in 2024 was again characterised by a challenging global economic market environment. Protracted uncertainties and spending restraint, rising costs, geopolitical tensions and trade conflicts as well as the announcement of trade tariffs are continuing to leave traces.

Despite these challenges, the company successfully used drupa, the world's leading trade fair for the printing and graphics industry, to demonstrate its innovation leadership and to step up the direct exchange with customers and brand owners. Accordingly, order intake climbed by 8.9% in the year under review to €1,402.7m (previous year: €1,287.9m). In packaging printing in particular, Koenig & Bauer is benefiting from robust demand, as packaging – especially in the food, beverage and consumer goods sectors – remains in high demand. The Banknote Solutions business unit was also able to gain further orders in the year under review, with the presses to be delivered over several years. This led to the highest year-end order backlog of €1,039.8m (previous year: €911.5m) in Koenig & Bauer's recent history and provides a strong basis for 2025 and beyond.

Koenig & Bauer responded at an early stage to address the current challenges. Towards the end of last year, the Executive Board initiated the "Spotlight" focus programme to lead the company strengthened out of the current challenging market phase in the face of higher costs and mounting complexity due to internal and external factors. Under "Spotlight", targeted measures were initiated in the year under review to sustainably increase earnings in profitable areas and to restructure non-profitable ones alongside organisational optimisation. They are placing a burden on Group EBIT while simultaneously laying the foundations for profitable growth in future years.

On 28 November 2024, the Group's reorganisation was announced and will be implemented in several steps. From 2025, Koenig & Bauer will be positioning itself with a new segment structure that is aligned even more closely to current and future customer needs and the relevant business model. As a result of the leaner structures, the number of segments will be reduced from three to two, namely Paper & Packaging Sheetfed Systems (P&P) and Special & New Technologies (S&T). This will result in changes to central responsibilities for operational and cross-sectional functions. Some tasks will be based to a greater extent in the segments, eliminating the role of the central Group COO. As a result, Michael Ulverich resigned from the Executive Board on highly amicable terms effective 30 November 2024. However, the Group will continue to focus on the high-growth packaging market. Looking forward, Group restructuring will make it possible to reduce the number of Executive Board members to just two, namely Chief Executive Officer and Chief Financial Officer, something that will be implemented as part of the step-by-step transition to a new generation. In the course of 2025, further steps to reorganise the Executive Board will be taken incrementally.

Despite the challenging economic environment, the normalisation of business performance in the third quarter indicated a strong final quarter in 2024, prompting the Executive Board to define targets that were also required to meet the updated annual forecast:

- **High order intake in the Sheetfed segment:** No decline in demand is expected following drupa; rather, order intake is expected to remain at the level seen in the second quarter or above.

- **Positive free cash flow:** Active net working capital management is intended to generate a positive free cash flow as of 31 December.

- **Efficiency benefits from "Spotlight":** The focus programme is to achieve a positive EBIT effect of €15 – 20m.

- **Strong operating EBIT:** In addition, the historically strong order backlog and the above-average contribution to operating profit by the Special segment, which is mainly due to the strong order intake in Q4 2023, should result in operating EBIT after drupa of €45 – 50m in the final quarter.

The achievement of all sub-goals in the fourth quarter of 2024 underlines the company's ability to reach the projected results even in a challenging market environment.

Accordingly, the Koenig & Bauer Group generated **revenue of €1,274.4m** in 2024 (previous year: €1,326.8m) and **operating EBIT adjusted for drupa-related costs of €25.8m (previous year: €29.9m)**. This corresponds to an operating EBIT margin adjusted for drupa of 2.0% (previous year: 2.3%).

Accordingly, **Group revenue** fell slightly by around 4% in line with the forecast of €1.3bn that had been adjusted on 25 July 2024 and was also in line with the original forecast. At €25.8m, **operating EBIT adjusted for drupa-related costs** was at the lower end of the revised forecast range of €25 – 40m.

The year under review was marked by **negative extraordinary items**. The "Spotlight" focus programme led to necessary **non-operating extraordinary items**. They mainly relate to adjustments to material and personnel costs and amounted to €50.4m, slightly above the upper end of the target corridor of €30 – 45m and were recognised in the Group's income statement as an expense. In addition, there were **one-off expenses for drupa** of €10.5m. The "Spotlight" focus programme is described in detail in the "Goals and strategy" chapter on page 26.

As a result, **Group EBIT** reached €-35.1m (previous year: €29.9m), yielding an **EBIT margin** of -2.8% (previous year: 2.3%). On the assumption that non-operating extraordinary items would reach the upper edge of the forecast corridor of €30 – 45m for "Spotlight", the company expected to achieve the lower end of the corridor for Group EBIT of € -15 – -30m (-1.2% – -2.3% EBIT margin). Non-operating extraordinary items of €50.4m exceeded the expected corridor due to the Executive Board's decision to discontinue the CS-MetalCan project for two-piece beverage can printing. This resulted in additional non-operating extraordinary items of €5.4m.

EBIT adjusted for drupa came to €-24.6m (previous year: €29.9m), resulting in an EBIT margin of -1.9% (previous year: 2.3%). The decline is attributable to the above-mentioned non-operating extraordinary items from the "Spotlight" focus programme. As a result, the original forecast, which assumed an EBIT adjusted for drupa of between €15 – 30m, was not reached. This is due to the fact that the actual effects of the "Spotlight" focus program were still unknown on the date of the original forecast and therefore did not include the non-operational extraordinary items required for it. As announced, “Spotlight” was not scaled and detailed until after drupa on the basis of the real effects.

The segments contributed the following EBIT in the year under review: Sheetfed €17.1m (previous year: €29.8m), Digital & Webfed €-53.3m (previous year: €-23.9m), Special €-5.2m (previous year: €23.0m). The segments contributed the following revenue in 2024: Sheetfed: €734.8m (previous year: €779.8m), Digital & Webfed: €157.6m (previous year: €172.3m), Special: €407.4m (previous year: €413.7m).

The aforementioned non-operating extraordinary items resulting from “Spotlight” impacted Digital & Webfed’s segment EBIT by €27.4m and Special’s segment EBIT by €15.7m as a result of material and personnel cost adjustments. The Digital & Webfed segment recorded drupa-related costs of €0.4m and the Special segment €2.7m. The chapter “Segment performance” on page 42 presents the performance of the segments in detail.

Financially, the Koenig & Bauer Group is well positioned, with a Group equity ratio of roughly 23.3% (previous year: 28.7%) and more than €150m in freely available cash and cash equivalents. This was also aided by active net working capital management in the year under review.

In view of the earnings performance in 2024 and the persistently challenging global economic environment, the Executive Board and the Supervisory Board will be proposing at the annual general meeting that a dividend be omitted for the financial year as a result of the net loss reported by Koenig & Bauer AG. As Koenig & Bauer attaches great importance to ensuring the appropriate participation of its shareholders in the company’s success, the dividend policy provides for the distribution of a dividend of 15 – 35% of consolidated earnings, with a minimum dividend of €0.30 per share, subject to profitable business performance during the year.

To summarise, the Koenig & Bauer Group’s business performance and business situation were in line with expectations, taking into account the global challenges in 2024, the revised forecast and the adjusted “spotlight” measures.

Earnings

Group order intake

€m	2023	2024
Sheetfed	606.2	**732.5**
Digital & Webfed	179.8	**160.6**
Special	538.8	**541.9**
Reconciliation	-36.9	**-32.2**
Total	1,287.9	**1,402.7**

With an increase of 8.9% compared to the previous year, **order intake** in the drupa year of 2024 was, as expected, higher, amounting to €1,402.7m (previous year: €1,287.9m). The following picture emerged in the segments: At €732.5m, order intake in Sheetfed exceeded the previous year’s figure by 20.8%. The strong final quarter, which did not see any decline in demand after drupa and was the strongest quarter of the year, contributed significantly to this positive result. At €160.6m, orders in the Digital & Webfed segment fell short of the previous year’s figure by 10.7%. Nevertheless, incoming orders grew from quarter to quarter, more than doubling in the second half of the year compared to the first. After the high figure achieved in the previous year, the Special segment was able to increase its order intake by 0.6% to €541.9m. This was better than the industry average for printing presses, which rose by 7.5% in 2024 according to VDMA.

Group revenue

€m	2023	2024
Sheetfed	779.9	**734.8**
Digital & Webfed	172.3	**157.6**
Special	413.7	**407.4**
Reconciliation	-39.0	**-25.4**
Total	1,326.8	**1,274.4**

Group revenue by product group

€m	2023	2024
Service	383.5	**396.9**
Printing presses	925.3	**862.1**
Other	18.0	**15.4**
Total	1,326.8	**1,274.4**

Group revenue by region

€m	2023	2024
Germany	173.3	**163.7**
Rest of Europe	386.8	**364.9**
North America	300.1	**367.1**
Asia/Pacific	325.8	**262.5**
Africa/Latin America	140.8	**116.2**
Total	1,326.8	**1,274.4**

%		
Germany	13.1	**12.9**
Rest of Europe	29.1	**28.6**
North America	22.6	**28.8**
Asia/Pacific	24.6	**20.6**
Africa/Latin America	10.7	**9.1**

In a persistently challenging market environment, **Group revenue** reached €1,274.4m in the year under review, 3.9% below the previous year's figure of €1,326.8m. Sequentially, however, revenue improved from quarter to quarter in all segments, resulting in a stronger second half.

At 5.8%, revenue growth in the Sheetfed segment fell short of the previous year, mainly due to the decline in order intake in Q3 2023. In the Special segment, a lower percentage of completion (POC) compared to the previous year in the Banknote Solutions business unit for delivery-related reasons caused a 1.5% decline in revenue. Revenue in the Digital & Webfed segment fell by 8.5% over the previous year, reflecting the exceptionally high revenue recorded in the fourth quarter of the previous year.

The revenue of the Koenig & Bauer Group was far above the industry-wide figure for revenue from printing presses, which declined by 15.4% in the year according to VDMA. The good order situation in the drupa year is also reflected in the book-to-bill ratio of 1.10 (previous year: 0.97). Moreover, the proportion of revenue from service business widened to 31.1% (previous year: 28.9%).

The Group export ratio rose slightly from 86.9% in the previous year to 87.1% in the year under review. This primarily reflected the good business performance in North America, which led to an increase in that region's share to 28.8% (previous year: 22.6%). On the other hand, the proportion of revenue from Germany (12.9%, previous year: 13.1%), the rest of Europe (28.6%, previous year: 29.1%), Asia (20.6%, previous year: 24.5%) and Latin America and Africa (9.1%, previous year: 10.7%) declined over the previous year.

Group order backlog

€m	2023	2024
Sheetfed	409.3	**407.0**
Digital & Webfed	119.8	**122.8**
Special	378.5	**513.0**
Reconciliation	3.9	**-3.0**
Total	911.5	**1,039.8**

Order backlog climbed by 14.1% to €1,039.8m at the end of the year under review (previous year: €911.5m), marking the highest year-end figure in Koenig & Bauer's recent history. It provides a solid basis for 2025 and beyond but is not evenly distributed across all segments.

Group income statement

€m	2023	2024
Revenue	**1,326.8**	**1,274.4**
Cost of sales	**-979.3**	**-979.4**
Gross profit	**347.5**	**295.0**
Research and development costs	**-57.5**	**-54.5**
Selling costs	**-158.1**	**-171.0**
Administrative costs	**-104.7**	**-104.0**
Other operating income	**24.9**	**19.4**
Other operating expenses	**-25.8**	**-23.7**
Remeasurement gains and losses	**3.0**	**3.3**
Other financial result	**0.6**	**0.4**
Earnings before interest and taxes (EBIT)	**29.9**	**-35.1**
Other interest and similar income	**2.3**	**4.9**
Other interest and similar expenses	**-19.2**	**-29.0**
Interest result	**-16.9**	**-24.1**
Earnings before taxes (EBT)	**13.0**	**-59.2**
Income taxes	**-10.2**	**-10.6**
Group profit	**2.8**	**-69.8**
of which		
Shareholder of the parent company	**2.6**	**-70.1**
Non-controlling interests	**0.2**	**0.3**
Earnings per share (€, diluted/basic)	**0.16**	**-4.24**

Gross profit fell by 15.1% to €295.0m in the year under review (previous year: €347.5m), resulting in a **gross margin** of 23.1% (previous year: 26.2%). Research and development expenses fell by €3.0m to €54.5m (previous year: €57.5m), mainly as a result of the company's systematic go-to-market approach. Selling expenses increased by €12.9m to €171.0m (previous year: €158.1m) primarily as a result of increased advertising costs, which mainly include expenses related to drupa. Administrative expenses also fell by €0.7m to €104.0m, reflecting the preliminary cost-cutting effects under the Spotlight focus programme (previous year: €104.7m). Net other expenses came to €-3.9m, compared with net other expenses of €-0.3m in the previous year. Among other things, this was due to currency-translation effects. All told, this resulted in **EBIT** of €-35.1m (previous year: €29.9m), equivalent to an **EBIT margin** of -2.8%, compared with 2.3% in the previous year. This was attributable to the relatively weak order situation in Q3 2023 in the Sheetfed segment and a lower percentage of completion (POC) compared to the previous year in the Banknote Solutions business unit for delivery-related reasons, which also caused negative volume and mix effects (€4.2m). In addition, non-operating extraordinary items for the "Spotlight" focus programme amounted to €50.4m, while the drupa-related costs reached €10.5m. As expected, this weighed on earnings. Accordingly, **operating EBIT** came to €15.3m (previous year: €29.9m), translating into an **operating EBIT margin** of 1.2%, compared with 2.3% in the previous year. Operating EBIT in the fourth quarter stood at €46.5m (previous year: €32.0m), making it, as expected, the strongest quarter of the entire year. Operating EBIT adjusted for drupa came to €25.8m (previous year: €29.9m), translating into a drupa-adjusted EBIT margin of 2.0% (previous year: 2.3%). The net interest expense of €-24.1m was higher than in the previous year (previous year: €-16.9m), mainly due to the higher interest rates charged by banks, resulting in **earnings before taxes** of €-59.2m (previous year: €13.0m). After income taxes of €10.6m (previous year: €10.2m), the Group posted a **net loss** of €-69.8m in 2024 (previous year: net profit of €2.8m). This translates into proportionate **earnings per share** of €-4.24 (previous year: €-0.16).

Finances

Cash flow from operating activities amounted to €73.4m (previous year: €-31.8m). The improved operating performance over the previous year is mainly due to active net working capital management, under which inventories were run off and receivables and other assets reduced. On the other hand, liabilities including other liabilities increased. In addition, prepayments received grew at a greater pace than in the previous year. At €-41.8m, cash flow from investing activities was down on the previous year's figure of €-61.6m due to spending restraint in the year under review. This resulted in a strong **positive free cash flow** for the year as a whole, amounting to €31.6m on balance (previous year: €-93.4m). This was chiefly due to changes in **net working capital**, which stood at €294.2m as of 31 December 2024 (previous year: €379.0m). It was positively impacted by a supply chain optimisation programme to the tune of €14.4m (previous year: €22.4m). Cash flow from financing activities came to €1.3m (previous year: €61.2m) and was affected not only by changes in the syndicated loan but also by payments to and from a financial service provider. At the end of December 2024, cash and cash equivalents were valued at €133.7m (previous year: €96.4m). Adjusted for bank liabilities of €261.8m (previous year: 244), **net financial debt** amounted to €-128.1m (previous year: €-147.6m).

The Group has access to **syndicated credit facilities** of a total of €500m from a consortium of banks. In addition to a revolving cash facility of €300m, the syndicated finance includes a guarantee facility of €200m. The credit facilities have a tenor of five years, meaning that they will expire in October 2028, subject to a two-year renewal option assuming the lenders' approval. To highlight the importance that Koenig & Bauer attaches to sustainability in its funding operations, the contract also includes ESG components, which are evaluated annually in a bonus/malus process and, depending on the achievement of the ESG target values, reduce (bonus) or increase (malus) funding costs. The Group-wide external financing framework also consists of further bilateral credit facilities, mainly in the form of guarantee credit facilities.

Assets

As of 31 December 2024, **equity** stood at €331.2m and the **equity ratio** at 23.3% (31 December 2023: €410.0m and 28.7%). This was mainly due to the net loss of €-69.8m (31 December 2023: net profit of €2.8m), which, in addition to the costs of €10.5m for drupa, also includes extraordinary items of €50.4m for the "Spotlight" focus programme. The Koenig & Bauer Group's **total assets** stood at €1,422.7m as of 31 December 2024 (previous year: €1,427.1m).

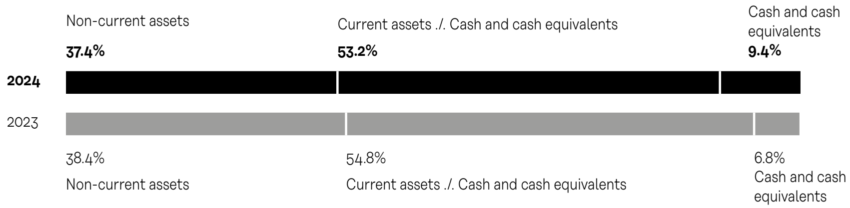
Assets

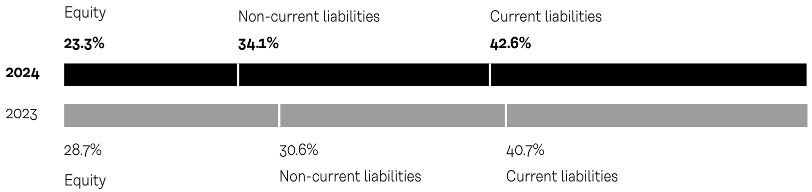
A total of €52.5m (previous year: €64.2m) was spent on property, plant and equipment and intangible assets in connection with construction and IT projects in the period under review. Capital spending includes capitalised development costs of €12.6m (previous year: €17.2m). This was accompanied by depreciation and amortisation expense of €44.3m (previous year: €43.5m). On balance, intangible assets and property, plant and equipment dropped slightly from €411.1m to €402.4m. **Non-current assets** decreased by €15.5m compared with the previous year to €532.7m. This was caused by a decline of €19.7m in property, plant and equipment to €235.8m (previous year: €255.5m) and of €7.6m in financial investments and other financial receivables to €17.6m (previous year: €25.2m). On the other hand, intangible assets increased by €11.0m to €166.6m (previous year: €155.6m) and deferred tax assets by €2.1m to €95.3m (previous year: €93.2m). **Current assets** rose by €11.1m to €890.0m as of 31 December 2024 (previous year: €878.9m). This was underpinned by the increase of €24.3m in other assets to €173.7m (previous year: €149.4m) and of €16.0m in other financial receivables to €57.3m (previous year: €41.3m). By contrast, inventories fell by €57.9m to €368.9m (previous year: €426.8m) and trade receivables by €14.1m to €142.1m (previous year: €156.2m). **Cash and cash equivalents** rose by €37.3m to €133.7m (previous year: €96.4m). Assets held for sale were valued at €7.9m (previous year: €0.0m). At €1,422.7m, the Group's total assets were slightly below the figure of €1,427.1m recorded at the end of 2023.

Equity and liabilities

The consolidated net loss of €-69.8m (previous year: net profit of €2.8m) includes not only the costs for drupa of €10.5m, but also extraordinary items for the "Spotlight" focus programme amounting to €50.4m. This contributed significantly to the decline in **equity** from €410.0m as of 31

December 2023 to €331.2m as of the end of 2024, translating into an equity ratio of 23.3% as of the reporting date (year-end 2023: 28.7%). With the discount rate for domestic pensions of 3.5% as of 31 December 2024 (previous year: 3.4%) slightly higher than in the previous year, retirement benefit provisions rose slightly by €0.5m to €105.3m (previous year: €104.8m), mainly due to foreign pensions. **Non-current liabilities** increased by €49.1m to €485.0m (previous year: €435.9m), mainly due to the increase of €53.2m in financial liabilities and other financial liabilities to €270.4m (previous year: €217.2m). **Current liabilities** increased by €25.3m over the end of 2023, coming to €606.5m (previous year: €581.2m). This reflects the increase of €21.3m in other provisions to €111.0m (previous year: €89.7m) and of €33.2m in other liabilities to €303.5m (previous year: €270.3m). The decrease of €7.1m in trade payables to €72.2m (previous year: €79.3m) and of €21.0m in financial liabilities and other financial liabilities to €117.6m (previous year: €138.6m) had the opposite effect. Current income tax liabilities fell by €1.1m to €2.2m (previous year: €3.3m).





Segment performance

At €732.5m, **order intake** in the **Sheetfed segment** was up 20.8% on the previous year's figure of €606.2m following a strong final quarter. This performance was also driven by the strong final quarter, which, contrary to expectations after drupa, did not see any decline in demand and, at €220.8m, was 45.5% up on the previous year. It is also the segment's strongest quarter of the year. The time-delayed effect of the relatively muted order intake in Q3 2023 was the main reason for a 5.8% decline in revenue to €734.8m (previous year: €779.8m). Sequentially, however, **revenue** improved from quarter to quarter, so that, at €268.4m in the final quarter, it was 8.1% higher than in the previous year. With a book-to-bill ratio of 1.0 (previous year: 0.78) as of 31 December, **order backlog** dropped to €407.0m (previous year: €409.3m). At €17.1m at the end of the financial year, **EBIT** fell short of the previous year's figure of €29.8m and includes proportionate drupa-related costs of €7.2m. Reflecting this, the **EBIT margin** came to 2.3% (previous year: 3.8%). **Operating EBIT corresponds to EBIT** and the **operating EBIT margin** to the EBIT margin. Operating EBIT adjusted for drupa came to €24.3m (previous year: €29.8m), translating into a drupa-adjusted operating EBIT margin of 3.3% (previous year: 3.8%).

In 2024, the **Digital & Webfed segment** was not yet able to fully shake off the effects of the temporary weakness afflicting the market for corrugated board. However, orders more than doubled in the second half of the year compared to the first half. At €160.6m (previous year: €179.8m), **order intake** fell short of the previous year's figure by 10.7%. **Revenue** fell by 8.4% year-on-year to €157.6m (previous year: €172.3m), reflecting the exceptionally high revenue recorded in the fourth quarter of the previous year. The company has also prepared for lower revenue by implementing measures in the "Spotlight" focus programme. With the book-to-bill ratio of 1.02 on a par with the previous year (previous year: 1.04) as of 31 December, the **order backlog** of €122.6m came close to the previous year's figure of €119.8m. At the end of the year under review, **EBIT** amounted to €-53.3m (previous year: €-23.9m) and includes a non-operating extraordinary item of €27.4m from "Spotlight", resulting in an **EBIT margin** of -33.8% (previous year: -13.9%). **Operating EBIT** came to €-25.9m (previous year: €-23.9m), resulting in an **operating EBIT margin** of -16.4% (previous year: -13.9%). The segment also accounts for €0.4m of the drupa-related costs. Operating EBIT adjusted for drupa thus stood at €-25.5m (previous year: €-23.9m), equivalent to a drupa-adjusted operating EBIT margin of -16.2% (previous year: -13.9%).

After the high figure achieved in the previous year, the **Special segment** was able to increase its **order intake** by 0.6% to €541.9m as of 31 December 2024. Orders received by Coding (marking solutions for all industries) and Kammann (direct decoration of hollow bodies made of glass and plastic) were lower than in the previous year. On the other hand, orders intake at MetalPrint (metal packaging) was higher. At Banknote Solutions (banknote and security printing), order intake repeated the previous year's pleasingly high level, which again included tenders from the Bureau of Engraving and Printing (BEP) in Washington, D.C. **Revenue** fell slightly by 1.5% to €407.4m at the end of the year (previous year: €413.7m), the reason for this being a lower percentage of completion (POC) in the Banknote Solutions business unit for delivery-related reasons compared to the previous year. With a book-to-bill ratio of 1.33 (previous year: 1.30) as of 31 December 2024, **order backlog** widened by 35.5% to €513.0m (previous year: €378.5m). The segment stands to benefit from the high order backlog over the next few years. At the end of the year under review, **EBIT** amounted to €-5.2m (previous year: €23.0m) and includes a non-operating extraordinary item of €15.7m from "Spotlight", resulting in an **EBIT margin** of -1.3% (previous year: 5.6%). **Operating EBIT** thus came to €10.5m (previous year: €23.0m), resulting in an **operating EBIT margin** of 2.6% (previous year: 5.6%). The segment also accounts for €0.2m of the drupa-related costs. Operating EBIT adjusted for drupa came to €10.7m (previous year: €23.0m), translating into a drupa-adjusted operating EBIT margin of 2.6% (previous year: 5.6%).

Risk report

Group-wide risk management system

All business activity entails risks which may have an adverse effect on the company's ability to achieve its targets. At the same time, entrepreneurial activity means consciously accepting risks to act on opportunities for enhancing enterprise value. If risks are not detected, allowed for and addressed, they may pose a risk to the company's successful performance.

The Executive Board has implemented a Group-wide system for identifying and managing risks so that management is able to respond to the current risk situation by taking early and appropriate measures. This system ensures that potential risks to the company's business performance are reported at an early stage and their extent rendered transparent and that they are in line with the risk-bearing capacity and the risk tolerance defined by the Executive Board. Extreme risks, i.e. risks that may have a very severe effect, but which have a very low probability of occurring, are also addressed. In addition to reporting critical market and corporate developments including details of their possible impact on the company's results of operations, financial condition and net assets, the risk management system heightens general risk awareness on the part of managers and staff, ensuring that risk assessments are incorporated in the decision-making process and precautions are taken at an early stage to mitigate and avert risks.

The risk management system installed at Koenig & Bauer takes into account "dual materiality". This means that, in addition to identifying and assessing risks that affect earnings, financial condition and net assets (outside-in perspective), the Group-wide risk management system also systematically detects risks that Koenig & Bauer causes, supports or tolerates and that affect the environment or the general public (inside-out perspective).

One aspect of Koenig & Bauer's risk management activities involves identifying opportunities. In contrast to risks, however, they are not recorded in the risk management system described below. Instead, operational and strategic opportunities are documented, evaluated and tracked in the cross-group strategy and planning process. A description of the main opportunities can be found on page 53 f. in the opportunities report.

Established risk management process
Koenig & Bauer's risk management structure is made up of the central risk coordination unit that reports directly to the Executive Board, the risk managers in the companies and business units and the managing directors of the group companies that are included in the scope of risk consolidation. The Executive Board controls the risk management system at the Group level and is monitored by the Supervisory Board. The risk management system covers the production units as well as the main sales and service companies. The risk owners at the operating units perform semi-annual local risk inventories and submit corresponding reports. The management of the operating units in question then reviews the reports for any omissions and evaluates the risks.

A bottom-up approach is applied in which possible risks are reported to the responsible executives combined with a top-down approach comprising a list of assumed basic risk defined by the Group. In addition, the owners of the main strategic projects and value-creation processes are responsible for monitoring project and process risks.

In addition to the semi-annual Group-wide assessment of the risk situation, the Group policy provides for a duty to report ad hoc on any risks that exceed a defined threshold. In addition, Group Controlling, on behalf of the Executive Board, prepares impact analyses based on defined scenarios for current exogenous situations with a potential impact on the order situation, project execution and Group earnings.

The Group's risk management policy documents the tools, processes, relevant factors, reporting channels and risk categories. The Koenig & Bauer Group's risk management system is based on the provisions of German company law and the German Accounting Standards as well as the principles and models of the Institute of Internal Auditors (IAA) and the Committee of Sponsoring Organisations of the Treadway Commission (COSO).

Systematic handling of risks creates high transparency for pre-emptive, goal-oriented action

For the purposes of more accurate coordination of risks as well as risk-avoidance and mitigation measures, risk is calculated as a negative deviation from an expected figure. This approach systematically tracks risks that are already included in corporate planning as well as additional latent risks that are not accounted for.

Due allowance is made for the risk mitigation precautions already established, after which net risk is quantified according to probability and potential impact on Group earnings on the basis of clearly described scenarios. The underlying assessment period extends to the end of the year following the reporting year. A standardised approach is applied to achieve a systematic and uniform evaluation of risks. Quantitative or qualitative risks which either individually or collectively with other risks exceed a value of €0.5m and a probability of 10% are reported to the Executive Board. These risks are aggregated in risk groups according to the following matrix and classified as low, moderate or significant on the basis of the combination of two dimensions "Impact on Group earnings" and "Probability". Particular attention is paid to risks with a high or very high impact on Group earnings or with a possible or high probability. Furthermore, risks that may have a very high impact on the Group's earnings (extreme risks) but exhibit a comparatively low probability are also analysed in qualitative terms in the risk management process and any necessary measures defined on this basis.

The risk management system is supplemented with monthly Group reports as well as the established and additionally enhanced operational management elements. You can find further information on this in the section on planning, management and control in the chapter entitled "Basis of the Group".

The risk early detection system pursuant to section 91 (2) of the German Stock Corporation Act installed as part of the risk management system by the Executive Board is reviewed annually by the external auditor in accordance with statutory requirements for adequacy and implementation and discussed regularly by the Supervisory Board's Audit Committee. Internal auditing oversees the reporting process and checks it for plausibility.

Description of risks

The following section describes the material risks to which the Group is exposed. In the absence of any indication to the contrary, they are equally relevant for all segments. For the purposes of Group reporting, individual risks are aggregated in risk groups, which in turn are divided into the following categories: business risks, financial risks, operational risks and other risks. The order in which the risk groups are described within the categories reflects the risk assessment per risk group calculated on the basis of the individual risks. Risks with a higher risk assessment precede those with a lower risk assessment. The risk assessment is based on the combination of the two dimensions “Impact on Group earnings” and “Probability”.

Business risks

Sector risks
Industry conditions may affect demand for products and services as well as the business performance of the Koenig & Bauer Group. Changing ordering practices on the part of customers or innovations or repositioning by competitors may impact the performance of individual business segments to varying degrees.

The customer structure, which is dominated by government bodies tied by mostly political decisions, limits forward visibility in security printing business, something that gives rise to corresponding capacity and financial risks. Despite the moderate growth expected in global banknote production over the next few years, the Koenig & Bauer Group’s large share of the market and the projects that have already been awarded limit the scope for any increase in revenue from printing presses.

Risk matrix

Impact on Group earnings	Unlikely 10 – 24%	Fairly unlikely 25 – 49%	Possible 50 – 75%	Probable >75%
Very high > €20m		2	1	
High > €10m – €20m	10	7, 9		
Medium > €5m – €10m		8, 6, 14		
Low > €0.5m – €5m	4, 5, 12, 13, 15	11	3	

Probability of occurrence

The presentation of the risks within the individual tiles of the risk matrix is a numerically consecutive list and does not reflect the risk classification. Only the risks significant for the Group are listed.

Low | Moderate | Significant

Business risks		
1	Industry	→
2	Macroeconomic and industry conditions	→
Financial risks		
3	Credit and country risks	→
4	Interest and exchange rates	→
Operational risks		
5	Infrastructure and litigation risks	→
6	IT	→
7	Planning, control and monitoring	→
8	Human resources	→
9	Research and development	→
10	Procurement and logistics	→
11	Production	↘
12	Contract fulfilment	→
Other risks		
13	Legal risks	→
14	Reputation	↘
15	Disasters and force majeure	→

Compared to the previous year, the absolute risk assessment
→ has not changed
↘ has decreased
↘ has increased

Competitors often grant considerable price concessions on sheetfed offset presses and in the security printing segment, which may impede sales of products and acceptance of the price increases that have been imposed in the last few months in response to higher inflation rates. Koenig & Bauer considers this practice to be problematic if it means that production costs are not covered as a result. Such practices are rejected as they are considered to have a long-term adverse impact on the industry's ability to innovate. At the same time, such conduct makes it more difficult to achieve the targets defined for order intake and project profitability. Further risks can be seen in the potential (re-)entry of competitors into markets addressed by Koenig & Bauer as this may heighten the competitive pressure on the Group. This is especially true in Asia, where the market for printing presses is currently growing at the greatest rate and competitors have set up production facilities or are planning to do so, potentially allowing them to offer machines for this market at a discount. Koenig & Bauer relies on forward-looking innovations and the highest quality standards at its German and European production sites. Its strategy is to boost competitiveness and profitability on a sustained basis by offering customers bespoke solutions and by continuing to optimise structures and production costs. By actively presenting and communicating the technical advantages of its products and services for customers, it is able to secure reasonable premiums on its prices. At the same time, clear sales targets and ongoing checks support efforts to ensure sustainable pricing for new and used presses.

2024 saw far-reaching consolidation in the market for the production of printed packaging, which particularly affected Koenig & Bauer's key accounts. The ongoing integration of company acquisitions and, thus, the continued analysis and planning of production capacities and business plans may cause further delays in decisions on investments in new presses and press modernisation and relocation. There is a risk that further orders will not be received in 2025 or will be postponed until a point in time preventing full revenue recognition in 2025. The same effect may also arise from increased production costs on the part of our customers or end customers (brand owners), e.g. the increase in the price of glass production due to high energy prices, and the associated spending restraint.

With our diversified product range, which targets different industries, it is possible to compensate for risks in individual industries across the Group. One main task is to continue transforming the range into relevant future markets by developing new products and applications. Particular attention is being paid to the further development of digital products. In particular, Koenig & Bauer supports key account and brand owner management, which has been established as a Group function.

In summary, the sector risks are considered to be significant in the light of the measures that have already been taken to address them, as the occurrence of high risks is considered to be possible.

General economy and industrial risks

Koenig & Bauer's business is exposed to global economic conditions. Economic activity and growth in sell-side markets, changes in the value of the euro against other major currencies and interest rates on borrowings may adversely affect product sales and capacity utilisation, as well as forecasts and budgets. Uncertainties also arise from long-term transformation processes in the population with possibly significant effects on the economy and society. Risks are increasingly arising from the stricter climate policies, the heavy debt loads in many economies and the persistent geopolitical tensions. In the event of belligerent or war-like conflicts between nation states, an actual loss of or significant negative impact on sell-side markets, supply chains or transport routes due to additional sanctions and embargoes cannot be ruled out. The currently perceptible deterioration in international trade relations and the emergence of protectionist tendencies in some countries may particularly culminate in trade restrictions, e.g. bans, additional restrictions, higher tariffs or other costs. There are immediate risks for Koenig & Bauer as an exporter of goods and services, as production and delivery could be made more difficult or expensive. Risks may also arise indirectly as uncertainties regarding the regulatory framework and its impact on the final costs of an investment project, which can extend over several months in the case of industrial plant construction, could lead to decisions being postponed or made in favour of sellers exposed to lower risk. Due to the continued strong export volumes as well as the high sales expectations attached to the North American market, this may have a noticeable impact on the Group's business activities. Koenig & Bauer is addressing these risks by means of specially worded contractual clauses and the use of advantageous delivery terms (including Incoterms) to transfer most of the cost risk, while additionally providing intensive support and advice to customers.

Furthermore, macroeconomic risks arising from global inflation or inflation in core markets, which are particularly important for Koenig & Bauer, can still not be ruled out, with the monetary policy measures taken in response, such as interest rate hikes, making it more difficult for customers to raise finance for their projects.

We see moderate risks to the Koenig & Bauer Group's future business performance in the light of the macroeconomic assumptions and the measures already in place. This is based on the assumption that the occurrence of the potentially high risks is reasonably unlikely.

To further address these risks, the measures taken under the "Spotlight" programme to enhance operating profitability and long-term competitiveness remain in place. At the same time, the company's strategic orientation is regularly reviewed. With its "Exceeding Print" corporate strategy, Koenig & Bauer is responding to global megatrends and resolutely continuing on the path it has already adopted towards greater digitisation, sustainability and modularity.

Sell-side risks arising from regional fluctuation in demand are minimised by the continuous optimisation of the international sales and service network in the markets of the future. The key account and brand owner management established as a group function also plays a strong role in meeting these risks.

Financial risks

Credit and country risks
There are financial risks, in particular with regard to the timely and full settlement of receivables by customers. Against the backdrop of possible interest rate hikes in response to inflation, it is still conceivable that there will be an increasing number of insolvencies and payment disruptions that are not yet apparent today due to the availability of development loans and loan-repayment holidays. In addition, the high volume of individual projects with government contractors may yield risks for Koenig & Bauer, particularly in security printing business.

Many printing companies face considerable obstacles in obtaining credit-based finance for capital spending projects as loans are only granted subject to a relatively high risk premium in this sector. In line with customary market practice, Koenig & Bauer must therefore offer customers in the Paper & Packaging segment in particular support in funding their capital spending projects. In these cases, the company works, for example, with banks or leasing companies to ensure customer-specific risk transfer on a case-by-case basis.

Credit checks of customers as well as creditworthiness reviews in the event of any financing risks form the basis of the company's actions. Standard measures for addressing possible payment default risks include government export credit insurance as well as requests for predelivery collateral. After delivery, Koenig & Bauer reserves ownership until full payment is made. Proactive receivables management ensures an appropriate response to counterparty and country risks. Sufficient impairments and provisions have been recognised to cover potential defaults, buyback obligations and the recovery of used presses. There is no customer or regional clustering of credit risks. Management receives regular breakdowns of receivables by maturity and region. In this way, it is possible to detect any risk concentration at an early stage and to take suitable precautions.

In view of the measures taken and the expectations of market developments, risk is considered to be moderate. This assumes that the occurrence of minor risks is possible.

Interest and exchange rate risks
Exchange-rate fluctuations and interest-rate changes may expose the company to financial risks. Koenig & Bauer holds financial instruments whose fair value and the resultant cash flows are influenced by market interest rates. In selected cases, derivative financial instruments are used to hedge or eliminate any risks. However, risks remain if, due to regulatory requirements, the use of certain currencies cannot be avoided and hedging is not possible.

In view of the measures taken and the expected market developments, which make the occurrence of medium risks unlikely, the assumed risk is only minor.

Liquidity risks
Liquidity risk is the risk of not being able to meet existing payment obligations on time due to insufficient liquidity or exhausted credit facilities. Ensuring solvency requires maintaining sufficient liquidity resources against the backdrop of existing risks. In order to cover its financial needs,

the Koenig & Bauer Group has for the most part taken out syndicated credit facilities (cash facility of €300m; guarantee facility of €200m) with a long-term commitment until October 2028, which can be extended for an additional two years subject to agreement with the lenders. As well as the syndicated credit facilities, the Group-wide financing framework includes further bilateral credit lines. Local guarantee credit facilities continue to exist on a significant scale. Unforeseeable cash flow fluctuations in operating business can be bridged with the financial resources available. The facility is primarily being drawn on to fund current business and a large part of the investments and to prefinance working capital. The guarantee credit facilities are required as collateral for customer prepayments among other things.

Liquidity risks are hedged by means of Group-wide roll-over liquidity planning. The short-term solvency of all Group companies is tracked and controlled in a daily liquidity status. In addition to Group-wide cash management, an updated Group liquidity and finance plan is prepared complete with reports in short intervals. This rolling planning system covers a period of twelve months and is extended to up to 24 months at regular intervals.

Some of the loan agreements entered into by the Koenig & Bauer Group contain provisions that enable the creditor banks to manage credit risk. These financial covenants are customary in the market, follow corresponding standards and are structured on the basis of the current and expected future economic situation.

Should circumstances arise that would prevent Koenig & Bauer from fulfilling the financial covenants, this could necessitate a renegotiation of the loan agreements outside the originally agreed term. This could involve risks relating to the deterioration of interest rates and, in the worst case, a failure to reach an agreement on the future financing of the Group. Taking into account the currently upward trend in the national financing environment and business planning, negligible risks at most are seen here. As their probability is considered to be below the risk matrix threshold, they are not listed there.

Operational risks

Procurement and logistics risks
Risks in the supply chain cannot be ruled out in view of the prevailing uncertainties over the availability of materials from suppliers, e.g. critical electronic components such as semiconductors for controlling the printing presses. These can impact Koenig & Bauer in the form of long delivery times and high purchase prices.

In the absence of alternative options, short-term shortfalls in supplies may lead to production stoppages and delays in our own deliveries with negative effects on capacity utilisation and earnings. In addition to close market monitoring and extensive supply chain management, which includes monitoring the quality and reliability of key suppliers, the risks of disruptions to the production process are addressed by means of detailed demand planning and control processes at the Group level. Koenig & Bauer pays particular attention to ensuring backup solutions for single-source suppliers. Strategic and critical components are manufactured in-house or sourced under long-term supplier relationships.

Price risks, which could persist in the case of parts with limited availability, are addressed by Group-wide category management with bundled purchasing volumes and by long-term supply contracts. On the basis of the existing supplier relationships, no significant price increases are otherwise expected. Through close cooperation and regular audits with suppliers, Koenig & Bauer continuously improves the quality of the delivered parts. The quality and backlog rates recorded in supplier management are within the expected range.

Given the mounting deterioration of international trade relations together with the emergence of protectionist tendencies, the risk of geopolitical disruptions or of decoupling has steadily increased over the last few years. Following a review of critical supply chains and adjustments to sourcing strategies, the company will be reducing its exposure to suppliers and countries in the future and lowering the effects of possible procurement-side trade restrictions by diversifying supply chains.

Koenig & Bauer sees risks with regard to energy prices and energy supply as unchanged. In view of these uncertainties, it adapted its energy infrastructure in the light of the prevailing conditions in 2022 by installing mobile standby power plants to avert unforeseen fluctuations in the electricity grid and fully substituted process gas with an energy mix consisting of LPG, heating oil and district heating, among other things. In this way, its own production is largely safeguarded at all European plants even in the event of any gas shortages.

In the light of the measures described, the occurrence of procurement risks with their potentially high effects is currently considered to be unlikely. Accordingly, this risk is classified as moderate.

Research and development
Koenig & Bauer regularly invests substantially in the development of improved or entirely new products and processes in order to preserve its competitiveness, satisfy market requirements and gain new customers. This gives rise to risks with respect to technical implementation and feasibility as well as ultimate market acceptance of the new or revised products. In particular, there is a risk that it may not be possible for the expenses incurred to be recouped from sales of the products and services developed, thus adversely affecting the return on investment. Risks are addressed in a stage-gate process with appropriate analyses of market requirements before development begins, continuous profitability and risk assessments during development and marketing activities in the course of the product launch. Any necessary impairments are recognised for capitalised development costs that are not considered to be recoverable. Comprehensive project and quality management as well as practical testing with beta users have been established to reduce technical risks.

The potentially high risks resulting from these measures are currently considered to be unlikely and therefore classified as moderate due to the risk-mitigation measures described above.

Planning, control and monitoring
Group targets and annual budgets are based on assumptions that are subject to uncertainties. For the purposes of sales planning, volumes with corresponding margins are defined as the basis for the companies' capacity and resource planning. Among other things, budgets include expected increases in pay scales and the cost of materials as well as the savings achieved as a result of planned improvements. There is a risk that the assumptions underlying the plan do not fully materialise, contrary effects occur or there are delays in the implementation of the necessary measures. In addition to constantly monitoring and analysing the business environment, the risk is addressed by means of regular budget reviews during the preparation of the forecast and efficient management of the operational business and strategic projects.

Short-term fluctuations in capacity utilisation at the plants due to volatile order intake can have a negative impact on profitability. Accordingly, the necessary production capacities are regularly checked and, as far as possible, coordinated with short-term sales planning. Furthermore, flexible working hours and leased employees are used to adjust capacities dynamically in the light of the order situation.

A moderate risk is seen in the fact that the assumptions underlying plans may not materialise in the expected form or that savings potential taken into account in the planning phase cannot be fully realised. The assessment is based on potentially medium risks with a fairly low probability.

Human resource risks
Corporate success hinges materially on motivated and highly qualified engineers, specialists and executives. In the current employment market, there is a risk that it will not be possible to attract and retain the necessary qualified employees and to assemble a suitable group of management trainees. Especially in areas requiring frequent travel, there is a risk of no longer being able to fill all the required positions with trained and experienced employees. As a result of demographic change, a growing number of highly qualified employees are reaching retirement age and leaving the company. On the other hand, it is becoming increasingly difficult to retain suitable skilled workers and junior staff at Koenig & Bauer due to the shortage of skilled workers and the lower number of school leavers.

This risk is being actively addressed by expanding vocational training at the state-approved Koenig & Bauer vocational schools. Further essential building blocks for improving employee retention include a wide range of measures for improving employees' work-life balance, e.g. mobile working, flexitime, flexible working time models such as part-time work and reduced full-time working hours, holiday care or the possibility of sabbaticals as well as other social benefits including company pension schemes, the company's own health insurance scheme and canteen, various mobility offers, etc. The next generation of specialists and executives are being prepared for their future tasks in trainee and further development programmes as well as the Koenig & Bauer Academy, which offers more than 1,000 training courses, together with long-term development plans. At the same time, the company is working on improving its external image as an attractive and innovative employer. In addition, the production, service and sales companies both inside and outside Germany, have access to specialists whose growth potential is regularly reviewed.

Instruments such as working time accounts or leased employees are available to address customers' demand for short delivery times and also to temporarily cushion fluctuations in capacity utilisation at factories. If employees are unwilling to accept flexible working hours or qualified external staff are not available in peak-capacity periods, there is a risk that customer orders cannot be executed within the required period and, hence, that orders may be lost or delays experienced. Similarly, there is a risk of existing capacities generating empty costs in the event of utilisation shortfalls due to missing parts. However, this can be mitigated in the short term by reducing overtime and the number of leased employees used.

In view of the precautions that have been taken and current conditions in the employment market, personnel risks with a potentially moderate impact are considered to be fairly unlikely and therefore classified as moderate.

IT risks
Society's growing dependence on technology and the increasing online networking of information systems increases the risk of intentional or unintentional damage to the Group through the exploitation of vulnerabilities in the IT products and systems used. The consequences of unauthorised internal and external access may include disruptions to the availability of work and production systems and supply chains, data theft, blackmail and sabotage or damage to the Koenig & Bauer Group's image. In particular, "CEO fraud", which criminals use to prompt employees to transfer large sums of money, is increasingly spreading. A successful risk strategy is established by training employees and heightening awareness of such matters.

In recent years, the digitisation process has accelerated significantly and spurred innovations and changes to business models, such as online sales and service, or impacted working methods such as mobile working for the Group's employees. This is reinforcing the need for IT security and a defence response to cyber risks. These risks are addressed through policies and defined IT processes, compliance with common IT security standards, various lines of defence and the implementation of IT security programmes by a Group-wide Chief Information Security Officer (CISO). In addition, there is adequate insurance cover for cyber risks, including a possible interruption to business.

Following the Group-wide roll-out of the SAP ERP system, the Koenig & Bauer Group is exposed to risks with regard to the smooth phasing-out of legacy systems and the migration of business processes to the new system. To mitigate these IT risks, Koenig & Bauer utilises the services of renowned software consulting companies and has installed an SAP project group. If the legacy systems are not replaced and the ERP software is not installed on time and free of any disruptions, the resultant restrictions to operations or cost overruns for the SAP roll-out project may have considerable financial consequences. In order to reduce these risks, the rollout at the operating companies will be executed successively and on the basis of a uniform platform. In view of the successful rollout of the system at the first few companies, the experience gained from similar complex projects and the high degree of involvement of external experts, the company sees no discernible risks beyond the usual project risks.

The existing IT risks with a medium potential for loss are considered to be reasonably unlikely and thus generally classified as moderate.

Contract fulfilment risks
In the case of complex mechanical and plant engineering orders, contract fulfilment risks cannot be entirely ruled out. A failure to deliver in accordance with the contract, a delay in delivery or a breach of ancillary obligations for which Koenig & Bauer is responsible may result in a reduction in margins due to contractual penalties or concessions made to the customer. Delays for which the customer is responsible, such as the completion of print shop buildings, may have a negative impact on incoming payments and the recognition of earnings.

In addition to professional project management and the ongoing optimisation of internal coordination and quality assurance processes, the company addresses this risk by drafting the contracts appropriately. Accordingly, this risk is considered to be unlikely and therefore classified as low.

Production risks
Poor quality, rejects and missing parts can result in production and assembly risks. A temporary surge in demand may cause delays in the delivery of individual components. A delivery delay or contractual non-compliance for which Koenig & Bauer is responsible may result in contract penalties or customer credits, thus impairing margins. This also leads to an increase in risk if production is shifted to smaller quantities or to parts that are particularly prone to errors. Koenig & Bauer has a central quality assurance department that defines Group-wide processes and standards, which are then implemented in all plants and relevant corporate divisions by local quality departments. Continuous quality controls based on standardised processes systematically analyse sources of error and optimise production processes. Internal schedule management is based on regular coordination of schedules and a reporting system. Cost control and management entails periodic cost reports, which are based on a cost accounting system together with structured processes for planning, forecasting and variance analysis. To optimise the entire supply chain so as to permanently reduce delivery times, Koenig & Bauer is working on operational and strategic adjustments to the internal production network to reduce costs and lead times and to increase productivity. The ability to additionally reduce quality costs for technically complex products in the long term has a major impact on earnings.

In the light of all the precautions that are in place, exposure to production risks is considered to be unlikely and the potential impact low, meaning that this risk is classified as low.

Infrastructure and litigation risks
The risk of an interruption to our business cannot be completely excluded. Production delays due to failures or interruptions of individual production facilities or technical infrastructure can have a negative impact on production efficiency and leave noticeable traces on business. Production sites are therefore evaluated and audited together with external consultants and experts from relevant insurance companies with regard to factors liable to cause a business interruption. The insurance taken out on the basis of the evaluations covers fire, severe weather and other risks with appropriate property and selected business interruption insurance. As part of maintenance management, possible vulnerabilities are analysed and preventive measures improved to ensure the availability and operational safety of Koenig & Bauer presses. This limits unplanned outages and plant shutdowns as well as the associated costs.

Overall, the infrastructure and process risks are considered to be unlikely and low and are thus classified as minimal.

Other risks

Reputation risks
In technically demanding capital goods business, there is always the latent risk of barely quantifiable harm to reputation and thus also to the value of the “Koenig & Bauer” brand as a result of quality problems, breaches of industrial property rights or the like. The extent of potential damage depends on the intensity, duration and extent of negative messages. To limit these risks, the Corporate Communications department has established processes to ensure that negative communication on Koenig & Bauer is detected via all channels, e.g. press, social media, forums, in order to specifically address this, e.g. by providing additional information, corrections or moderation. However, given the limited resources, it is not possible to fully monitor all media and to react to all negative news in a timely manner.

A resulting loss of brand value to a medium financial extent is considered fairly unlikely but represents a moderate risk.

Legal risks
Koenig & Bauer is subject to a wide range of legal and statutory regulations. The breach of contracts, licensing provisions or intellectual property rights, the negative outcome of legal disputes as well as the failure to observe regulatory requirements may cause financial loss in the form of penalties, compensation payments, sanctions or reputational damage. Existing and threatened legal disputes are therefore continuously tracked, analysed, evaluated to determine their legal and financial effects and taken into account in the recognition of provisions in cases in which an obligation is likely. The size of such provisions is very largely based on estimates, e.g. in the case of litigation. They are continuously reviewed in quarterly litigation reports and adjusted in good time in the event of any changes. The Group is not involved in any legal or regulatory proceedings that are not subject to subsequent mitigation measures in accordance with these principles and thus pose risks to its overall economic situation. Koenig & Bauer addresses this risk by using standard contracts and comprehensive legal advice from internal and external experts in non-standard business transactions. In addition, the established compliance management system is aimed at iden-

tifying and pre-emptively addressing legal risks at an early stage.

Generally speaking, the risk of litigation and proceedings having a negative impact is considered low and unlikely. Accordingly, the risk is classified as minimal.

Disasters and force majeure
Koenig & Bauer is exposed to risks arising from epidemics and pandemics, natural and environmental disasters and social unrest. Due to the highly globalised and interconnected world, local disasters may have a major impact on the Koenig & Bauer Group's business. Following the end of the Covid-19 pandemic, no significant risks have currently been identified in this connection. Nevertheless, the Koenig & Bauer Group is now aware of this issue. Developments and risks are monitored proactively (top-down); immediate reactivation of the measures established during the pandemic is thus ensured. In addition, the scope for mobile working has been maintained even after the pandemic. The sudden emergence of pandemic pathogens cannot be entirely ruled out.

Furthermore, direct damage from natural and environmental disasters such as natural hazards is covered by insurance as far as possible and economically reasonable.

Overall, the possibility of a low risk arising from disasters and force majeure is considered to be unlikely. Accordingly, the risk is classified as minimal.

Summary of the risk situation

As in previous years, Koenig & Bauer has taken due account of the ongoing challenging macroeconomic conditions, high inflation in some regions and high interest rates, geopolitical tensions, particularly the Ukraine-Russia war, the conflicts in the Middle East and the simmering China-Taiwan conflict. Given this persistently volatile environment, the number and total value of risks reported in the Group has increased since the previous year. However, as the higher total value of risks is offset by a reduction in the assumed probabilities, the weighted risk potential has improved since the last annual report.

The Group has sufficient risk-bearing capacity in the light of the current challenges and the associated risks. As things currently stand, we do not see any risks that either individually or cumulatively are liable to jeopardise the Koenig & Bauer Group's going-concern status. The broad-based product range, which is geared to fundamentally intact sell-side markets, the continued successful implementation of the defined efficiency measures as well as the Koenig & Bauer Group's strong market position and financial stability limit the risk potential.

Underpinned by ongoing efforts to optimise risk management, risk awareness at Koenig & Bauer is improving steadily. Detailed and comprehensive risk reporting improves the scope for tracking risk-mitigation precautions and for encouraging a responsible approach to opportunities and risks within the company on a sustained basis.

This risk report is necessarily based on available information as well as expectations and estimates believed to be true at the time of reporting and refers to future trends. It is not possible to exclude other or additional risks which may have an influence of the Group but are currently not known or believed to be significant. Moreover, risks may change during the forecast period, resulting in a significant discrepancy in the estimate presented here.

Opportunities

The following section describes the main opportunities available to the Koenig & Bauer Group. In the absence of any indication to the contrary, these affect all segments equally. However, they represent only a selection of the opportunities available. The order in which the opportunities are presented reflects the assessment of their relative significance for the Koenig & Bauer Group and provides a basis for assessing them. The assessment of opportunities is also subject to continuous change, as the company, the technologies it uses, the markets and its customers are constantly evolving. New opportunities may arise from this, existing ones may cease to exist or the significance of an opportunity may change.

Industry
In principle, the greatest opportunities for Koenig & Bauer arise in the printing industry itself. The merger talks between the world's largest packaging companies have already triggered a certain degree of industry consolidation. This could resolve the current temporary weakness in the

market for corrugated board and improve appetite for capital spending. Above all else, there are opportunities for improving business performance by harnessing the development potential of special applications, such as packaging and industrial printing, the growing importance of digital printing in the packaging sector in the future and the continuing transformation processes with regard to digital products, processes and services. Looking forward, Koenig & Bauer will continue to work closely on expanding its service business. The company is trying to take advantage of additional opportunities by structuring service with a focus on digitisation. These aspects are expressly addressed by Koenig & Bauer's "Exceeding Print" corporate strategy, which aims to make the Group even more sustainable, digital and modular.

Opportunities outside the printing industry are currently seen in battery cell production. Further detailed information can be found in "Goals and Strategy" on pages 26 ff., "Markets addressed and growth opportunities", on pages 29 ff. and "Partnerships and cooperation" on pages 32 f. Opportunities for growth may also arise from gains in market share if a competitor exits the market or abandons an area of business.

Opportunities from acquisitions and alliances

Koenig & Bauer monitors current and potential markets to identify opportunities for strategic mergers, acquisitions, investments and partnerships that it can use to complement organic growth. These activities could help Koenig & Bauer to strengthen its position in its current markets, to complement its portfolio in strategic areas or to open up new markets. It could include the partnership agreement with Volkswagen subsidiary PowerCo SE for joint development activities in sustainable battery cell production. The progress achieved to date has been evaluated positively and is continuing with high priority, something that is also reflected in the order for a further prototype by VW PowerCo in the middle of the year. Proof of concept for the development goals is to be ready by mid-2025. The same thing applies to the partnership with Mitsubishi Electric for joint activities in quality control systems for electrode foils in battery cell production. Further information can be found in "Partnerships and cooperation" on pages 30 f.

Macroeconomic and cyclical opportunities

The signs of subsiding global inflation should in particular spur the recovery of the global economy and, in its wake, the printing industry. This would also be aided by an easing of the current procurement situation, particularly for electronic components such as semiconductors, and the transport situation as well as energy costs. In a number of countries there are also opportunities for social and political changes, government intervention, customs regulations and legislative amendments that may have a positive impact on the Koenig & Bauer Group's business performance. The legislative measures and government action to accelerate the response to halt global climate change, especially in Europe, through the Green Deal, are a recent example of this.

Planning, control and monitoring

The forecasts of future business performance are based on assumptions that are subject to certain uncertainties. In addition to the risks already described, they also entail opportunities. Higher revenue than assumed for budgeting purposes and a more advantageous cost situation or over-achievement of the savings targets defined in the "Spotlight" focus programme would have a positive impact on earnings.

Financial opportunities

A shift in exchange rates in the company's favour would have a positive impact on its revenue and earnings. In a favourable capital market environment, an increase in the discount rate on future retirement benefits (as well as the performance of plan assets) offers scope for reducing provisions for retirement benefits and similar obligations and for an increase in equity due to actuarial gains. The ESG targets may also have a positive impact on Group earnings, depending on the extent to which they are achieved.

Summary of the situation with respect to opportunities

The overall situation with regard to opportunities available to the Koenig & Bauer Group is considered moderate. Even though the challenging macroeconomic conditions are factored into its expectations and business plans, Koenig & Bauer does not believe that the opportunities presented here outweigh the risks described above given the faltering and regionally limited recovery of the global economy and mounting geopolitical tensions together with the associated risks in the supply chains. There are no changes in the opportunities available to the Koenig & Bauer Group compared with the previous year.

Due and proper accounting through the internal control system in accordance with Section 289 (4) and Section 315 (4) of the German Commercial Code

The internal control system for the accounting process encompasses all principles, methods and measures within the Koenig & Bauer Group for ensuring effective, economical and proper accounting in accordance with all applicable legal requirements. The Group-wide ICS policy and work instructions supplement the organisational and control structures.

The internal control system forms part of Koenig & Bauer's internal governance, risk management and compliance (GRC) system and comprises a series of process-integrated control activities. The ICS is based on the "three lines of defence" model and clearly defines the responsibilities of the three lines: the operational level at the first line, the central ICS department as a coordinating and advisory link at the second line and internal audit at the third line, followed by the external auditor.

The internal control system for the financially relevant core processes has the task of ensuring the correctness, reliability and accuracy of accounting and external reporting activities.

In formalising the elements of the internal control system, national legislation as well as internationally recognised frameworks (such as COSO) have been duly observed. The focus is on the controls integrated in the core processes and IT systems.

The continuous improvement and further development of robustness and functionality is ensured by a formalised control mechanism in a central IT system.

In addition to the preventive controls, the balanced standard set of process-integrated controls also includes downstream controls, which are both fully automated and partially automated, as well as the necessary manual controls in accordance with the dual sign-office principle or in the form of self-controls.

The ICS roles are clearly defined in the ICS role pyramid, under which responsibility for the design of the controls lies with the control owners and responsibility for monitoring these controls with management staff. The appropriateness and effectiveness of the financially relevant and tax-related core processes is safeguarded by means of an internal control test, with responsibility held by the responsible process owners. The ICS managers confirm on an annual basis the reliability of the ICS landscape and the ICS maturity in their ICS organisational unit. Annual training maintains ICS awareness in the role pyramid.

The central ICS department updates the Executive Board and the Audit Committee at least annually on the internal control system. Any significant changes to the internal control system are immediately reported to the Executive Board.

In addition to accounting for the holding company and a number of associated companies, Koenig & Bauer AG holds responsibility for Group accounting and controlling as well as Group compliance/internal auditing, corporate finance/treasury, taxes and human resources/training. The controlling, human resources, compliance and, in some cases, accounting functions are located at the individual Group companies. The responsibilities are clearly assigned with an unambiguous separation of functions in the units involved in the accounting process. All departments involved in the accounting process have the appropriate resources. The allocation of appropriate rights ensures that the IT systems used for financial and payroll accounting are protected from unauthorised access.

ERP systems that have been dominated by in-house developments in the past are gradually being converted to the SAP system that is widely used in mechanical and plant engineering. Following comprehensive planning of the enterprise-wide SAP project and an intensive period of fine-tuning, the staggered roll-out is currently underway. The roll-out is being executed in stages at other Group companies following the migration at the holding company Koenig & Bauer AG and Koenig & Bauer Industrial GmbH including Koenig & Bauer Gießerei GmbH, as well as Koenig & Bauer Banknote Solutions (DE) GmbH, Koenig & Bauer Banknote Solutions SA, Koenig & Bauer (AT) GmbH and Koenig & Bauer Digital & Webfed AG & Co.KG.

Group accounting is performed on a monthly basis using a consolidation program. Meticulous checks are performed on a quarterly basis. Accounting and measurement guidelines ensure that the principles defined by the International Accounting Standards Board (IASB) as endorsed by the European Union are uniformly applied. The risk management manual defines the process for identifying risks and the procedure for disclosing reportable risks. This ensures early detection of any risks at Koenig & Bauer AG and its subsidiaries and notification of the Executive Board. The guidelines are regularly updated and expanded.

Random samples as well as manual or physical checks are performed to prevent any errors or omissions in accounting data. This includes annual inventory counts and work on the annual financial statements as well as asset counts in certain intervals. In addition, specially programmed plausibility checks are performed. The double sign-off principle is applied to all material transactions. Regular training and independent monitoring ensure that the consolidated financial statements comply with all applicable rules. Significant accounting-related processes and areas undergo analytical reviews particularly by internal auditing and controlling. The efficacy of the controls is verified by means of automated input, output and processing checks. External experts are also consulted where necessary, e.g. in the measurement of pension obligations.

Units granting approval are also separated from the units executing the transaction in question. In addition, write and read rights are assigned. There is a strict functional separation in the entry of transactions. Granulated requisitioning powers and access restrictions are applied to employees with respect to the IT applications. Individual employees in the functional areas do not have any access rights to the full accounting process level (incoming goods, inventories, invoice checking, payment approval, remittance). The defined principles, methods and measures ensure that financial reporting complies with the statutory requirements.

Outlook

Expected macroeconomic and industry conditions

The International Monetary Fund (IMF) forecasts global economic growth of 3.3% in 2025 (0.1 percentage points more than in 2024; historical average 3.7%) and a decline in global inflation. The individual countries and regions will continue to diverge in 2025. At 2.7%, growth momentum in the United States is likely to be significantly greater than in the Eurozone (+1.0%) and Japan (+1.1%). The heaviest economic strain on the Eurozone comes from Germany and France, where, among other things, domestic political uncertainties are holding back the economy. In the rest of the Eurozone, on the other hand, the economy is continuing to expand moderately. Higher US tariffs could have an increasingly adverse impact on the European economy. With expansion of 0.3%, the German economy is likely to grow for the first time after two years of recession. Thus, the IMF again forecasts the weakest growth for Germany of any of the leading western G7 industrialised countries. The reasons cited for this are the muted state of industry and high energy prices, which are impeding the economic recovery. In the emerging markets and developing countries, the pace of growth is expected to reach 4.2%, thus matching the previous year. China (+4.6%) and India (+6.5%) will continue to grow at above-average rates, although China will also lose some momentum and higher US tariffs will leave negative traces.

In a brief statement, the VDMA points out that the announced tariff increases of 10 to 20% on European products and 60% on Chinese imports could pose significant challenges for German industry. It also notes that it is necessary to take into account the fundamental stance of the Trump administration, which could generate domestic economic growth.

According to the IMF, downside risks for the macroeconomic forecast lie in a tightening of protectionist policies and growing geopolitical tensions. Increased trade policy uncertainty could dampen investment in advanced economies, with the exception of the United States. In the United States, supply-side shocks such as a decline in migration could permanently reduce production potential and spur inflation. However, the US economy could also perform better than forecast if fiscal policy is eased and a possible boom-bust momentum (triggered by an excessive reduction in regulations to curb risk-taking) materialises. A further appreciation of the US dollar could trigger capital outflows from the emerging markets and developing countries, pushing up risk premiums and causing growth in these countries to fall short of the forecast. The IMF emphasises that the extent of the inflationary effect of tariffs is particularly uncertain.

Source: IMF World Economic Outlook Update January 2025 & VDMA publication 01/25 – Free trade instead of trade barriers: German machine and plant manufacturers in the United States

The VDMA industry association expects a price-adjusted decline of 2% in mechanical engineering output in Germany in 2025 – after an estimated decline of 8% in 2024. However, this forecast is subject to a high degree of uncertainty as future economic trends hinge on many factors that are currently difficult to estimate. Sentiment in mechanical engineering companies remains depressed, as shown by the results of the VDMA Q4/2024 economic survey and the ifo business barometer. Mounting protectionism around the world is likely to leave traces on global trade and hit export-oriented German mechanical and plant engineering particularly hard.

Source: VDMA, "Maschinenbaukonjunktur 2024/Ausblick 2025" dated 13 February 2025

Forecast

The expected macroeconomic, political and industry-specific conditions in the markets addressed by the Koenig & Bauer Group provide the basis for the forecast for 2025 (1 January 2025 to 31 December 2025) and subsequent years.

The estimates made are based on the assumption that external conditions do not significantly worsen over the current situation. The following external factors play a decisive role:

- **Geopolitical developments:** No further escalation or tighter restrictions in connection with the war in Ukraine, the Middle East conflict or other geopolitical tensions liable to affect supply chains, production processes or sales markets.

- **Trade policy uncertainties:** Continued international trade conflicts, in particular the announcement of trade tariffs – for example by the Trump administration – and possible protectionist measures that could trigger spending restraint or higher costs along the supply chain.

- **Underlying macroeconomic conditions:** No unexpected re-emergence of higher inflation, interest rate trends or an economic slowdown that could impact demand in central markets.

In addition, the forecast is tied to the company's own business performance and the successful implementation of strategic initiatives.

Outlook for 2025: Higher profitability on a slight increase in revenue
Despite difficult and uncertain global economic and geopolitical conditions, Koenig & Bauer sees itself well positioned for 2025. Thanks to a historically high order backlog and additional savings under the "Spotlight" focus programme, the Executive Board anticipates a slight increase in revenue to €1.3bn, accompanied by higher operating EBIT in a corridor of €35 – 50m. Within this corridor, target achievement is highly dependent on actual global economic and geopolitical developments over the next few months.

Revenue*	**Expectation for 2025**	**(pro forma) 2024 in €m**
Paper & Packaging Sheetfed Systems (P&P)	slightly greater contribution	734.8
Special & New Technologies (S&T)	slightly greater contribution	558.0
Reconciliation	–	-18.4
Group	slight revenue growth to € 1.3 billion	1,274.4
Operating EBIT**	**Expectation for 2025**	**(pro forma) 2024 in €m**
Paper & Packaging Sheetfed Systems (P&P)	slightly greater contribution	17.1
Special & New Technologies (S&T)	slightly larger contribution	-15.4
Reconciliation	–	13.6
Group	increase to a corridor between € 35 - 50m	15.3

*) For revenue, „slight" corresponds to a change of up to +/- 5 %, while changes of +/- 5 % or more are described as „significant".
**) For operating EBIT, „slight" corresponds to a change of up to +/- 10%; changes of +/- 10% or more are considered „significant".

Both the Paper & Packaging Sheetfed Systems (P&P) and the Special & New Technologies (S&T) segments are expected to make a slightly greater contribution to revenue. Compared to 2024, the P&P segment should make a slightly larger contribution to operating EBIT in 2025, while the S&T segment should make a significantly larger contribution to operating EBIT in 2025 due to the “Spotlight” measures initiated.

In view of the earnings performance in 2024 and the persistently challenging global economic environment, the Executive Board and the Supervisory Board will be proposing at the annual general meeting that a dividend be omitted for the financial year as a result of the net loss reported by Koenig & Bauer AG. As Koenig & Bauer attaches great importance to ensuring the appropriate participation of its shareholders in the company’s success, the dividend policy provides for the distribution of a dividend of 15 – 35% of consolidated earnings, with a minimum dividend of €0.30 per share, subject to profitable business performance during the year.

Target achievement in 2026 highly dependent on global economic and geopolitical developments
Koenig & Bauer continues to project Group revenue of roughly €1.5bn in 2026, accompanied by an operating EBIT margin of around 6%. Due to the global economic and geopolitical uncertainties and, resulting from this, the limited forward planning visibility, Group revenue is currently expected to come to between €1.4bn and €1.5bn, with the operating EBIT margin reaching 5-6%.

Legal disclosures

Takeover-relevant disclosures pursuant to section 289a (1) and section 315a (1) of the German Commercial Code

Disclosures in accordance with section 289a (1) No. 1, 2 and 3 and section 315a (1) No. 1, 2 and 3 of the German Commercial Code
On 31 December 2024, the share capital of Koenig & Bauer AG, Würzburg, stood at €42,964,435.80, divided into 16,524,783 bearer shares with a nominal value of €2.60 each. In accordance with article 14.7 of the articles of association, each no-par share conveys one voting right. There are no restrictions on voting rights or the transfer of shares and there are no special rights imparting powers of control.

To the best of our knowledge, shares in the company’s capital of more than 10% are held by the Koenig’sche Shareholders’ Association, Germany, (16.7%), which was first reported as “acting in concert” on 4 July 2023. Leibinger Consulting AG in Feusisberg, Switzerland, holds a 15.07% stake in Koenig & Bauer AG and AlternInvest GmbH in Vienna, Austria, holds 10.2%. In addition, Hauck Aufhaeuser & Fund Services S.A, Munsbach/Luxembourg, holds 9.96%, Universal-Investment-Gesellschaft mit beschränkter Haftung in Frankfurt am Main 9.91% and Union Investment Privatfonds GmbH, Frankfurt/Main 5.1% of the share capital.

Governing bodies
On 31 December 2024, the shares held by the governing bodies of Koenig & Bauer AG equalled 5.23% of its share capital. The members of the Executive Board held 0.10% (Dr Andreas Pleßke 0.03%, Dr Stephen Kimmich 0.06%) and the members of the Supervisory Board 5.13%.

The appointment and dismissal of the members of the Executive Board and amendments to the articles of association comply with the statutory regulations (sections 84, 85, 179 of the German Stock Corporation Act, section 31 of the Codetermination Act). Under article 10.2 of the articles of association, the Supervisory Board may pass resolutions to amend the articles of association provided that such amendments concern only the wording. This authorisation particularly applies to the utilisation of authorised capital.

In accordance with the Act on the Equal Participation of Women and Men in Executive Positions in Private and Public Sector, the Executive Board and the Supervisory Board have defined targets for gender representation quotas. The Supervisory Board has decided that its female representation quota for the Executive Board is to remain at 0% until 2025. It has considered closely the planned female representation target on the Executive Board to be implemented by 2025 and ultimately set it at 0%. This decision must be seen solely in the light of the service contracts of the members of the Executive Board, which continue until 2025 or 2026 and must therefore be respected by the Supervisory Board. Setting a target of more than 0% would have implied that the Supervisory Board was not willing to act in accordance with these service contracts or its own decisions. This is why no woman is currently a member of the Executive Board.

The next time a new member is to be appointed to the Executive Board, the female representation quota will of course be duly taken into account in accordance with the requirements of the Second Executive Positions Act (FüPOG II). Moreover, the Supervisory Board pays attention to diversity in the composition of the Executive Board, while the Executive Board itself observes these requirements when filling management positions within the Group. In cases in which female and male candidates have comparable qualifications, the proportion of women is to be increased as far as possible when new appointments are made.

The Supervisory Board has anchored the promotion of women in the Executive Board's personnel objectives ("level playing field"). The Supervisory Board and the Executive Board attach importance not only to increasing the number of women in management positions and strengthening their status, but also to raising the number of female employees in the company and in the Koenig & Bauer Group as a whole. The target ratio is 30% for the first level below the Executive Board and 11% for the second level below the Executive Board. At the end of 2023, the proportion of women at the first and second management levels below the Executive Board stood at 33.3% (previous year: 33.3%) and 13.8% (previous year: 11.1%), respectively.

Authorised capital
On 31 December 2024, the company had authorised capital of €8,580,000, equivalent to 3,300,000 shares, which may be utilised on or before 23 May 2026. The authorisation granted at the annual general meeting is documented in Article 5.3 of the articles of incorporation. The company did not hold any treasury stock on 31 December 2024.

Authorisation to acquire treasury stock

In a resolution passed at the Annual General Meeting of 26 June 2024, the Executive Board of Koenig & Bauer AG was authorised to acquire and sell the company's own shares subject to the exclusion of the shareholders' subscription rights. Such treasury shares can be acquired via the stock exchange, by way of a public purchase offer addressed to all shareholders of the company or by way of a public invitation to tender offers. The authorisation is limited to the acquisition or sale of treasury shares accounting for an arithmetical share of up to 10% of the share capital existing at the time the resolution is passed or – if lower – at the time the authorisation is exercised.

Subject to the consent of the Supervisory Board, the Executive Board is authorised to use the treasury stock acquired in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) for all legally permissible purposes, in particular to resell it, to use it as consideration for a non-cash contribution from third parties, particularly in the context of business combinations, and to use it for the purpose of acquiring companies, parts of companies, equity interests in companies or other assets and to fulfil option and/ or conversion rights or obligations. Subject to the consent of the Supervisory Board, the Executive Board is additionally authorised to award the treasury shares acquired to employees of the company and its affiliates or to board members of affiliates, subject to the exclusion of the shareholders' subscription rights, in connection with the company's share-based compensation or employee share programs.

The authorisation expires on 25 June 2029. The Executive Board did not make use of this authorisation during the year under review.

Disclosures in accordance with section 289a (1) No. 8 and 9 and section 315a (1) No. 8 and 9 of the German Commercial Code
Koenig & Bauer AG has entered into the following material agreements or

special arrangements governing a change in or acquisition of control in the event of a takeover bid: The syndicated credit facility refinanced in October 2023 contains in the version applicable on the reporting date standard change-of-control clauses and grants the respective contractual partner additional information and termination rights in the event of a change in the control or majority shareholding structure of the company. In addition, one joint venture agreement and one partnership agreement include a change-of-control clause. There are no compensation agreements with the members of the Executive Board or employees for this case.

Corporate governance statement in accordance with Sections 289f and 315d of the German Commercial Code

The corporate governance statement in accordance with Sections 289f and 315d of the German Commercial Code is published on the company's website at http://www.koenig-bauer.com/en/investor-relations/corporate-governance/corporate-governance-statement/ together with the corresponding statements for previous years.

Koenig & Bauer AG (notes according to the German Commercial Code)

The annual financial statements of Koenig & Bauer AG were prepared in accordance with the provisions of the German Commercial Code (HGB). As a holding company Koenig & Bauer AG does not conduct any operating business of its own but performs central and strategic functions for the Group. Central functions performed for the Koenig & Bauer Group include compliance/auditing, controlling, corporate development, innovation promotion, investor relations, corporate responsibility, accounting, purchasing, IT, corporate accounting, patent and licensing, human resources, legal and insurance, tax and central marketing/corporate communications. In addition, Koenig & Bauer AG provides IT hardware and operates the computer centre for Group tasks and grants licences and brand rights to the subsidiaries. In connection with the restructuring of the Koenig & Bauer Group as a holding company in the course of 2025, Koenig & Bauer AG is streamlining its tasks and assigning more operational responsibilities to the two segments. In addition to pursuing the Group's strategic responsibilities, the holding company will continue to provide shared services for all Group subsidiaries, including IT, HR, IR, communications, central purchasing and financial services. The number of employees on 31 December 2024, excluding apprentices, was 477 (previous year: 479).

In addition to income from the services recharged to the Group companies and the fees for the use of licences and brand rights, Koenig & Bauer AG's business performance depends on the dividend income and profit transfers received from the subsidiaries and, hence, their business performance. The direct and indirect investments held by Koenig & Bauer AG are shown in a list in the notes to the consolidated financial statements.

Report on risks, opportunities and forecasts
The developments described in the chapters of the economic report mainly affect the business activities of Koenig & Bauer AG and its subsidiaries. Koenig & Bauer AG's business performance is significantly influenced by its subsidiaries and is therefore directly or indirectly subject to the same risks and opportunities as the Koenig & Bauer Group. The risks to which Koenig & Bauer AG is exposed include impairments of investments in subsidiaries and receivables from affiliated companies. The impairment tests for the

investments in subsidiaries are generally based on a discounted cash flow model, which is influenced by the performance and earnings of the subsidiaries and their own investments. Therefore, adverse effects on subsidiaries or indirect investments may necessitate the recognition of impairments for investments and loss allowances for receivables in Koenig & Bauer AG's annual financial statements. Impairments and loss allowances would reduce the net profit available for distribution to the shareholders. As the investments in subsidiaries and receivables from affiliated companies constitute a substantial proportion of the total assets, this is a signifiant risk. Fluctuations in net investment income and loss allowances for receivables from affiliated companies would have a correspondingly large effect on Koenig & Bauer AG's net profit. Due to these interrelationships between Koenig & Bauer AG and its subsidiaries, the outlook for the Koenig & Bauer Group also reflects the expectations for Koenig & Bauer AG. Therefore, the above statements for the Koenig & Bauer Group also apply to Koenig & Bauer AG. No separate significant performance indicators have been defined for Koenig & Bauer AG.

Earnings

At €132.5m, revenue was up on the previous year's figure of €112.0m and chiefly comprised income from transfer pricing for shared services provided by Koenig & Bauer AG for the operating Group companies and fees for the utilisation of licences and brand rights as well as land and buildings. Gross profit rose by €12.1m to €42.1m. Compared with the previous year, the cost of sales increased by €8.3m to €-90.4m (previous year: €-82.1m). The gross margin widened to 31.8%, up from 26.7% in the previous year, mainly due to higher revenue from shared services. General administrative expenses increased by €1.1m to €44.2m (previous year: €43.1m) and mainly resulted from expenses for personnel and other expenses as well as expenses for adjustments to property, plant and equipment and personnel costs in connection with "Spotlight". The other operating income of €6.8m (previous year: €6.0m) mainly includes the reversal of other provisions. Other operating expenses of €60.8m (previous year: €1.9m) primarily relate to expenses from individual loss allowances in the Group. On balance, this resulted in operating earnings of €-56.0m, compared with €-9.0m in the previous year.

Net investment income consists of dividend distributions (2024: €38.5m; 2023: €16.9m), income from profit transfer agreements (2024: €5.6m; 2023: €38.2m), impairments of financial assets (2024: €-6.4m; 2023: €-17.9m), fair-value remeasure gains on financial assets (2024: €7.8m; 2023: €1.3m) and loss absorption expenses (2024: €-31.6m; 2023: €-7.5m) from subsidiaries. It fell by €17.2m to €13.9m as of 31 December 2024 (previous year: €31.1m)

The financial result amounted to €-5.5m (previous year: €14.2m), mainly due to the higher interest expense as a result of increased borrowings. Net interest expense came to €-19.4m as of 31 December 2024 (previous year: €-16.9m). Income taxes amounted to €-0.2m (previous year: €0.6m). On balance, this resulted in a net loss for the year of €61.7m (previous year: net profit for the year of €5.8m). Including the profit carried forward of €2.9m and the retained amount of €2.9m, the accrued deficit stands at €-61.7m.

The Executive Board and the Supervisory Board acting in accordance with Section 58 of the German Stock Corporation Act have passed a resolution to retain an amount of €2.9m. The Executive Board acting with the Supervisory Board's approval proposes that the unappropriated surplus of €2.9m be retained.

Assets and finances

As of 31 December 2024, Koenig & Bauer AG's total assets stood at €753.9m, down from €761.7m in the previous year. Non-current assets rose by a total of €9.9m to €542.0m (31 December 2023: €532.1m). This increase is mainly due to additions to the shares in affiliated companies. As of the reporting date, financial assets were valued at €416.7m, compared with €407.4m in the previous year. The increase in intangible assets from €56.1m to €61.1m, which primarily included prepayments towards intangible assets, was accompanied by a decline in property, plant and equipment from €68.6m to €64.2m as a result of systematic depreciation. The opposite effect arose from the acquisition of land in connection with a merger. The reduction in current assets from €227.0m to €209.0m was due to the decrease in receivables from affiliated companies from €159.1m to €123.1m and is mainly characterised by individual loss allowances. They include receivables under loans to affiliated companies of €29.2m (31 December 2023: €47.6m), receivables from offsetting cash flows of €86.0m (31 December 2023: €96.5m) as well as trade receivables of €8.0m (31 December 2023: €14.9m). In addition, receivables from associates rose from €20.8m to €28.9m. Cash in hand and at banks increased from €45.1m to €52.9m.

As a result of the net loss at the end of 2024, equity fell to €253.2m (31 December 2023: €314.9m). The equity ratio stood at 33.6% as of the reporting date (31 December 2023: 41.3%). Provisions fell slightly from €107.6m in the previous year to €103.1m. Provisions for pensions and similar obligations decreased to €73.5m (31 December 2023: €78.2m) and tax provisions to €0.0m (31 December 2023: €0.1m). Provisions for pensions decreased mainly as a result of the higher discount rate. In contrast, other provisions rose slightly to €29.6m (December 31, 2023: €29.3m). All told, liabilities climbed from €338.5m to €397.1m as of 31 December 2024. Liabilities to banks increased from €235.4m to €254.9m mainly due to drawing on the syndicated loan. Prepayments received on orders also increased year-on-year, while trade payables and other liabilities were slightly lower. Liabilities to affiliated companies climbed from €94.9m to €132.1m.

Cash flow from operating activities amounted to €20.8m (previous year: €-47.1m) and is mainly attributable to active net working capital management, in which receivables were reduced and liabilities accrued. The cash flow of €-31.4m (previous year: €-17.9m) from investing activities resulted from the increase in investments or the acquisition of companies and additions to intangible assets. Cash flow from financing activities of €18.6m (previous year: €46.2m) also reflects changes in the syndicated loan.

Group financial statements 2024

Detailed index

Group balance sheet to 31 December 2024

in €m	Note	31.12.2023	31.12.2024
Assets			
Non-current assets			
Intangible assets	(G) (1)	155.6	166.6
Property, plant and equipment	(G) (1)	255.5	235.8
Investments and other financial receivables	(G) (2)	25.2	17.6
Investments accounted for using the equity method	(G) (2)	15.1	13.6
Non-current other assets	(G) (2)	3.6	3.8
Deferred tax assets	(G) (7)	93.2	95.3
		548.2	**532.7**
Current assets			
Inventories	(G) (3)	426.8	368.9
Trade receivables	(G) (2)	156.2	142.1
Other financial receivables	(G) (2)	41.3	57.3
Current other assets	(G) (2)	149.4	173.7
Current tax assets		4.9	2.4
Securities	(G) (4)	3.9	4.0
Cash and cash equivalents	(G) (5)	96.4	133.7
Assets held for sale	(G) (6)	–	7.9
		878.9	**890.0**
		1,427.1	**1,422.7**

in €m	Note	31.12.2023	31.12.2024
Equity and liabilities			
Equity	(G) (8)		
Share capital		43.0	43.0
Share premium		87.5	87.5
Reserves		278.0	199.9
Equity attributable to owners of the Parent		**408.5**	**330.4**
Equity attributable to non-controlling interests		1.5	0.8
		410.0	**331.2**
Liabilities			
Non-current liabilities			
Pension provisions and similar obligations	(G) (9)	104.8	105.3
Non-current other provisions	(G) (10)	37.0	30.7
Non-current bank loans and other financial payables	(G) (11)	217.2	270.4
Non-current other liabilities	(G) (11)	5.4	3.7
Deferred tax liabilities	(G) (7)	71.5	74.9
		435.9	**485.0**
Current liabilities			
Current other provisions	(G) (10)	89.7	111.0
Trade payables	(G) (11)	79.3	72.2
Current bank loans and other financial payables	(G) (11)	138.6	117.6
Current other liabilities	(G) (11)	270.3	303.5
Current tax liabilities		3.3	2.2
		581.2	**606.5**
		1,427.1	**1,422.7**

Group income statement 2024

in €m	Note	2023	2024
Revenue	(H) (16)	1,326.8	1,274.4
Cost of sales	(H) (17)	-979.3	-979.4
Gross profit		**347.5**	**295.0**
Research and development costs	(H) (17)	-57.5	-54.5
Distribution costs	(H) (17)	-158.1	-171.0
Administrative expenses	(H) (17)	-104.7	-104.0
Other operating income	(H) (19)	24.9	19.4
Other operating expenses	(H) (19)	-25.8	-23.7
Impairment gains and losses on financial assets	(H) (19)	3.0	3.3
Other financial results	(H) (20)	0.6	0.4
Earnings before interest and taxes (EBIT)		**29.9**	**-35.1**
Other interest and similar income		2.3	4.9
Other interest and similar expenses		-19.2	-29.0
Interest result	(H) (20)	**-16.9**	**-24.1**
Earnings before taxes (EBT)		**13.0**	**-59.2**
Income tax expense	(H) (21)	-10.2	-10.6
Net profit		**2.8**	**-69.8**
of which			
attributable to owners of the Parent		2.6	-70.1
attributable to non-controlling interests		0.2	0.3
Earnings per share (in €, basic/dilutive)	(H) (22)	**0.16**	**-4.24**

Statement of comprehensive Group income 2024

in €m	2023	2024
Net profit / loss	**2.8**	**-69.8**
Items to be reclassified to consolidated profit or loss		
Foreign currency translation	-0.8	2.6
Measurement of derivatives	-0.1	-5.8
Deferred taxes	–	1.5
	-0.9	**-1.7**
Items not to be reclassified to consolidated profit or loss		
Defined benefit plans	-24.1	-6.7
Revaluation of land	0.9	0.9
Deferred taxes	8.5	–
	-14.7	**-5.8**
Gains/losses recognised directly in equity	**-15.6**	**-7.5**
Total comprehensive income	**-12.8**	**-77.3**
of which		
attributable to owners of the Parent	-13.0	-77.6
attributable to non-controlling interests	0.2	0.3

Statement of changes in Group equity 2024

			Reserves							
			Recognised in equity*							
in €m	Share capital	Share premium	Defined benefit plans	Revaluation of land	Derivatives	Exchange differences	Other	**Equity attr. to owners**	Equity attr. to non-controlling interests	**Total**
1 January 2023	**43.0**	**87.5**	**-52.8**	**18.3**	**–**	**5.5**	**319.6**	**421.1**	**1.7**	**422.8**
Net profit	–	–	–	–	–	–	2.6	**2.6**	0.2	**2.8**
Gains/losses recognised directly in equity	–	–	-15.6	0.8	-0.1	-0.7	–	**-15.6**	–	**-15.6**
Total comprehensive income	**–**	**–**	**-15.6**	**0.8**	**-0.1**	**-0.7**	**2.6**	**-13.0**	**0.2**	**-12.8**
Other	–	–	–	–	–	–	0.4	**0.4**	-0.4	**–**
31 December 2023	**43.0**	**87.5**	**-68.4**	**19.1**	**-0.1**	**4.8**	**322.6**	**408.5**	**1.5**	**410.0**
1 January 2024	**43.0**	**87.5**	**-68.4**	**19.1**	**-0.1**	**4.8**	**322.6**	**408.5**	**1.5**	**410.0**
Net profit / loss	–	–	–	–	–	–	-70.1	**-70.1**	0.3	**-69.8**
Gains/losses recognised directly in equity	–	–	-6.5	0.7	-4.3	2.6	–	**-7.5**	–	**-7.5**
Total comprehensive income	**–**	**–**	**-6.5**	**0.7**	**-4.3**	**2.6**	**-70.1**	**-77.6**	**0.3**	**-77.3**
Other	–	–	-0.1	–	–	–	-0.4	**-0.5**	-1.0	**-1.5**
31 December 2024	**43.0**	**87.5**	**-75.0**	**19.8**	**-4.4**	**7.4**	**252.1**	**330.4**	**0.8**	**331.2**

* reserves recognised in equity are shown net of deferred taxes

Group cash flow statement 2024

in €m	Note	2023	2024
Earnings before taxes		13.0	-59.2
Appreciation/depreciation on intangible assets, property, plant and equipment	(F)	45.7	46.7
Currency measurement	(H) (19)	5.0	-0.3
Non-cash interest income/expense		5.0	4.4
Other non-cash income/expenses		2.7	1.6
Gross cash flow		**71.4**	**-6.8**
Changes in inventories		-7.3	61.2
Changes in receivables and other assets		10.2	-18.4
Changes in other provisions		-10.5	13.2
Changes in payables and other liabilities		-75.5	49.4
Interest received		1.0	3.2
Interest paid		-13.0	-22.8
Income tax paid		-10.2	-13.7
Income tax refunded		2.1	8.1
Cash flows from operating activities		**-31.8**	**73.4**
Proceeds from the disposal of intangible assets, property, plant and equipment		1.2	8.6
Payments for investment in intangible assets, property, plant and equipment		-52.2	-43.1
Proceeds from the disposal of investments		–	7.4
Payments for investments		-4.8	-5.6
Payments for the acquisition of shares in consolidated companies		–	-1.8
Dividends received		1.5	1.1
Payments for loans to associates		-7.3	-8.4
Cash flows from investing activities		**-61.6**	**-41.8**
Free cash flow		**-93.4**	**31.6**
Proceeds from loans		63.3	45.0
Repayment of loans		-15.2	-27.2
Proceeds from financial service providers		69.2	127.0
Repayments to financial service providers		-46.9	-131.9
Payments for lease liabilities		-9.5	-10.4
Changes in equity attr. to non-controlling interests		-0.1	-0.8
Other changes in equity		0.4	-0.4
Cash flows from financing activities		**61.2**	**1.3**
Change in funds		**-32.2**	**32.9**
Effect of changes in exchange rates		-3.6	4.4
Funds at beginning of period		132.2	96.4
Funds at end of period	(G) (5)	**96.4**	**133.7**

for further information see explanatory Note (I)

Notes to the Group financial statements

(A) Preliminary remarks

The Koenig & Bauer Group (the "Group") develops, assembles and sells sheetfed and web offset, flexo and digital presses, flatbed/rotary die cutters, folding-box gluing lines and special equipment for security, metal decorating, glass and hollow container printing and marking and coding together with comprehensive services. The Parent, Koenig & Bauer AG at Friedrich-Koenig-Str. 4, 97080 Würzburg, Germany, is a public limited company under German law, listed in the commercial register at the local court, Würzburg, under HR B-No. 109. The consolidated financial statements include the Parent and all material affiliates.

Koenig & Bauer has prepared consolidated financial statements and a combined management report for the annual accounting period from 1 January 2024 to 31 December 2024 in accordance with section 315a of the HGB (German Commercial Code), which will be published together in the **Unternehmensregister** (Company Register).

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) valid on that date, as issued by the International Accounting Standards Board (IASB), London, and all binding interpretations by the International Financial Reporting Interpretation Committee (IFRIC), with due regard for EU directives.

Individual items aggregated in the balance sheet and the income statement are disclosed and explained separately in the notes below. For the income statement we used the cost of sales method. The reporting currency is the euro, and all amounts disclosed in the financial statements represent million euros (€m), unless otherwise indicated.

On 20 March 2025 the Koenig & Bauer management board authorised the submission of the Group financial statements to the supervisory board for scrutiny and approval.

Changes to the consolidated financial statements and reasons for the changes
The financial statements for the 2024 financial year were amended on March 20, 2025, due to a change in the Management Board. For further information, see Chapter (O) Events after the Balance Sheet Date.

(B) New and amended standards and interpretations

The financial statements for 2024 were prepared in accordance with the following International Financial Reporting Standards that are required to be applied for annual periods beginning on or after 1 January 2024.

IAS 1	Amendments to IAS 1 – Classification of Liabilities as Current or Non-current, also in Connection with Covenants
IFRS 16	Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
IAS 7/IFRS 7	Amendments to IAS 7 and IFRS 7 – Disclosure Requirements for Reverse Factoring Arrangements
IAS 12	Amendments to IAS 12 – Global Minimum Taxation: Pillar Two Model Regulations

The above standards were applied in compliance with the relevant transitional provisions. Where appropriate, amendments were made retrospectively, i.e. as if the new accounting policies had always applied. The effects on the periods of time specified in the consolidated financial statements are described below.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current also in Connection with Covenants
The amendment to IAS 1 clarifies that liabilities are classified as non-current if the entity has substantial rights at the reporting date to defer

settlement of the liability for at least one year. If the exercise of these rights is tied to certain conditions, these conditions have no influence on classification as current or non-current. However, if liabilities that are conditional within 12 months of the reporting date are classified as non-current, further information must be disclosed to enable users of the financial statements to assess any risks that may exist. This does not result in any changes to the consolidated financial statements of Koenig & Bauer AG.

Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback

The amendment to IFRS 16 stipulates that when the lease liability arising from a sale and leaseback transaction is subsequently measured, the seller/lessee must measure it in such a way that no gain or loss relating to the retained right of use is recognised. Gains or losses arising in connection with the partial or complete termination of a lease must continue to be recognised as they relate to the terminated right of use. This does not result in any changes to the consolidated financial statements of Koenig & Bauer AG.

Amendments to IAS 7 and IFRS 7 – Disclosure Requirements for Reverse Factoring Arrangements

The amendment to IAS 7 and IFRS 7 results in additional disclosures on reverse factoring agreements with the aim of enabling users of financial statements to assess the effects of these agreements on liabilities, cash flows and the liquidity risk. For example, the carrying amount and balance sheet items of the liabilities concerned, non-cash changes in the carrying amounts of the liabilities concerned and the carrying amount of the liabilities for which suppliers have already received payments from the factor must be disclosed. This results in additional disclosure requirements for Koenig & Bauer, in the notes to the consolidated financial statements.

Amendments to IAS 12 – Global Minimum Taxation: Pillar Two Model Regulations

The amendment to IAS 12 allows companies to temporarily avoid the obligation to recognise deferred taxes resulting from the implementation of the Pillar Two regulations. If use is made of this exception, this fact, as well as the actual tax expense or income in connection with the Pillar Two income taxes, must be reported separately. For periods in which a law implementing the Pillar Two regulations has been passed but not yet entered into force, known or reliably estimable information must also be made available so that users of financial statements can assess the effects of the Pillar Two regulations. For the effects on Koenig & Bauer, please refer to the comments in Section (C) Accounting Policies.

The Koenig & Bauer Group did not apply in advance the following IASB standards, interpretations and amendments to existing standards that are not yet mandatory.

		Application from financial year
IAS 21	Amendments to IAS 21 – Lack of Exchangeability in Currency Translation	2025
IFRS 9/IFRS 7	Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments	2026
IFRS 18	Amendments to IFRS 18 – Presentation and Disclosures in Financial Statements	2027
IFRS 19	Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures	2027
IFRS 10/IAS 28	Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	open

Amendments to IAS 21 – Lack of Exchangeability in Currency Translation

The amendment to IAS 21 specifies how non-exchangeability is to be addressed in currency translation. If the entity is able to obtain the other currency within a normal administrative timeframe and through a market or exchange mechanism in which a transaction gives rise to enforceable rights and obligations, that currency is deemed to be exchangeable. For this purpose, it is irrelevant whether there is an actual intention or decision to acquire the other currency. If there is no exchangeability, the spot rate on the measurement date is to be estimated as the rate that would have applied for a proper transaction between market participants. This is not expected to have any material impact on Koenig & Bauer AG's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The amendments to IFRS 9 and IFRS 7 relate to the classification of financial assets. The application guidance for assessing whether a financial asset fulfils the "solely payments of principal and interest" (SPPI) criterion has been expanded. It has also been clarified that a financial liability is generally derecognised on its settlement date. However, if a financial liability is settled using an electronic payment system and certain conditions are met, it may be derecognised earlier. In addition, the disclosures in the notes for equity instruments measured at fair value through other comprehensive income have been expanded. This is not expected to have any material impact on Koenig & Bauer AG's consolidated financial statements.

Amendments to IFRS 18 – Presentation and Disclosures in Financial Statements

IFRS 18 will replace the previous standard IAS 1. The new standard is intended to improve reporting on an entity's financial performance. Predefined subtotals are introduced for the income statement. Income and expenses are categorised according to the entity's main business activity. The cash flow statement must use operating earnings as the starting point if the indirect method is applied. In addition, alternative performance indicators (management-defined performance measures, MPMs) must be added to the disclosures in the notes. This is expected to result in changes to the consolidated financial statements of Koenig & Bauer AG. The changes are currently being reviewed and cannot yet be determined as of the reporting date.

Amendments to IFRS 19 – Subsidiaries without Public Accountability: Disclosures

The new IFRS 19 standard gives eligible subsidiaries the option of publishing abridged disclosures if they apply IFRS standards in their financial statements. Application of the new standard is optional and only permitted for entities that are subsidiaries and are not subject to public accountability and provided that the parent company prepares and publishes consolidated financial statements in accordance with IFRS standards. This is not expected to have any material impact on Koenig & Bauer AG's consolidated financial statements.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets to Associates or Joint Ventures

To eliminate any inconsistency between IFRS 10 and IAS 28 on the disposal or contribution of assets to associates or joint ventures, future gains or losses should be recognised only if the assets disposed of or contributed constitute a business as defined in IFRS 3. Otherwise, gains or losses may only be recognised on a pro rata basis. This may result in changes for Koenig & Bauer if corresponding transactions occur.

(C) Accounting policies

The financial statements for Koenig & Bauer AG and its domestic and foreign subsidiaries were prepared using uniform accounting policies.

Measurement basis and judgements

The measurement of financial assets and liabilities is based on the historical or amortised cost, with the exception of financial assets and derivative financial instruments, which are measured at fair value through profit and loss. Changes in the value of equity instruments are recognised in other comprehensive income.

In the process of applying the entity's accounting policies management makes various judgements, essentially on the categorisation of the financial assets measured at amortised cost.

Estimates and assumptions

Where no market prices are available for assessing the value of assets and liabilities, this must be estimated and may give rise to adjustments in subsequent years to the assets and liabilities disclosed. The imputed value is predicated on past experience and current knowledge.

Koenig & Bauer assumes that its business model is only marginally affected by sustainability and climate change risks.

Significant estimates relate to the following matters, which are explained in more detail under the individual items of the balance sheet:

- Recognition and measurement of development costs and the measurement of goodwill - particularly management assumptions using the "discounted cash flow" method and determination of the discount rate and future cash flows
- Useful lives of intangible assets and property, plant and equipment
- Measurement of the impairment of financial assets
- Measurement of inventories
- Recognition and measurement of other provisions - particularly provisions for warranties
- Recognition and measurement of investments in associates and calculation of goodwill
- Recognition and measurement of provisions for retirement benefits and similar obligations - particularly the calculation of the present value on the basis of actuarial assumptions and the calculation of the discount rate
- Recognition and measurement of deferred tax assets - particularly estimates as to their recoverability and recognition of deferred tax assets on tax loss carryforwards
- Revenue recognition - determination of the percentage of completion for over-time revenue recognition
- Disposal of financial assets - management's assessment of the transfer of beneficial ownership

Intangible assets

Purchased intangible assets are disclosed at their purchase price if it is likely that economic benefits attributable to the use of the assets will flow to the enterprise and their cost can be measured reliably. Each asset with a limited useful life is amortised on a straight-line basis over its estimated useful life.

Development costs for new or significantly improved products are capitalized at cost if the technical feasibility, an intention to sell and the existence of a market can be demonstrated, the attributed expenditure can be measured reliably, adequate development and marketing resources are available and future economic benefits are probable. From the time of marketability of the affected product, the capitalized development costs are depreciated on a straight-line basis over their projected useful life and tested for impairment annually. Adequate allowance is made for future market trends. Research costs and non-capitalised development costs are recognised as an expense as they arise in the functional area research and development.

Property, plant and equipment

The option provided for by IAS 16 to revalue land at its fair value was exercised for the first time on 31.12.2020 with the use of independent valuation experts. Accordingly, increases in the carrying amount in excess of amortised cost are recognised in retained earnings. However, if an impairment loss previously recognised in profit or loss is reversed, the increase in the carrying amount is recognised in profit or loss up to an amount equaling amortised cost. If, on the other hand, revaluation results in a reduction in the carrying amount, the impairment is recognised in profit or loss unless an increase in the carrying amount previously recognised directly in equity is reversed. In this case, the impairment is recognised within retained earnings. Deferred taxes are recognised accordingly in retained earnings or in profit or loss. Land is revalued at regular intervals of 5 years.

All other items of property, plant and equipment are disclosed at cost less depreciation and accumulated impairment losses, based on the use to which they are put. Each item with a significant value relative to the total asset value is treated as a separate depreciable asset (component recognition). Manufacturing costs for self-constructed plant and equipment include an appropriate proportion of production overheads, material and labour costs.

Where borrowing costs are directly attributable to a qualifying asset they are capitalised as part of the cost of that asset. Subsequent costs associated with the acquisition or replacement of an item of property, plant or equipment are capitalised and written down over the individual useful life. Replaced items are de-recognised accordingly. Costs for maintenance and repairs are also recognised as an expense.

No land or buildings are held as financial investments as defined in IAS 40.

Grants

Government grants reduce the cost of assets and are recognised as a reduced depreciation charge over the asset life.

One condition for the disbursement of research funds is that a complete record must be kept of all the costs incurred, and submitted upon completion of the relevant project.

Financial reporting in hyperinflationary economies

The Turkish Lira, the functional currency of one of the subsidiaries, is classified as hyperinflationary within the meaning of IAS 29.

IAS 29 states that when the accounting standard is applied for the first time, the functional currency of the hyperinflationary economy must be treated as if the economy in question had always been hyperinflationary.

Financial statements prepared in a hyperinflationary currency must be restated in the light of the conditions prevailing on the reporting date. Adjustments are made on the basis of historical cost. Items in the balance sheet which are not yet held in a monetary unit, which are not subject to price adjustment agreements or which are not otherwise held at updated daily values, must be adjusted on the basis of a consumer price index derived from the data of the Turkish Statistical Institute (CPI base 2003 = 100). The same applies to expenses and income. The net adjustments are recognised in profit or loss and disclosed separately in the notes. The harmonised consumer price index stood at 1,859.38 basis points as of 31 December 2023 and increased to 2,684.55 basis points as of 31 December 2024.

After being tied to the index, all relevant items in the balance sheet and income statement are translated into the Group's reporting currency in accordance with IAS 21. The exchange rate used for this purpose is the closing rate on the reporting date. The effects of currency translation are presented in other comprehensive income in the statement of changes in equity.

Monetary assets and liabilities have not to be adjusted if they are subject to price adjustment clauses or are translated at the daily exchange rate.

Leases

A determination is generally made at the beginning of an contract whether the agreement contains a lease. To this end, the lessor must transfer to the lessee the right of use for a clearly specified asset for a specified period of time in return for payment of a fee. Non-lease components are separated from the lease components at the inception of the agreement and recognised as an expense.

As **lessee**, Koenig & Bauer recognises a right-of-use asset in intangible assets and property, plant and equipment and a lease liability in other financial liabilities on the commencement date of the lease. The right-of-use asset is measured at the present value of the lease liabilities at the commencement date plus initial direct costs, any lease payments already made before the commencement date and the present value of estimated costs at the end of the term, minus lease incentives received. The lease liability is recognised at the present value of the lease payments not yet made at that date, comprising fixed and variable lease instalments and expected payments from residual value guarantees and the exercise price of purchase options if there is sufficient certainty that they will be exercised. Discounting is based on the underlying interest rate for the lease or, if this is not known, the lessee's incremental borrowing rate. The incremental borrowing rate is determined using various external sources and adjusted to the economic environment and the term of the respective lease agreement.

In subsequent measurement, the right-of-use asset is amortised on a straight-line basis until the end of the lease term. In the case of lease agreements with transfer of ownership or the probable exercise of a purchase option, the right-of-use asset is depreciated until the end of the expected useful life. If there is an indication that the right-of-use asset may be impaired, an impairment test is carried out in accordance with IAS 36. If necessary, an impairment loss is recognised or, if the reason for the impairment no longer applies, the impairment loss is reversed. The lease liability is measured at amortised cost using the effective interest method. In the event of contractual changes that may result from a change in the assessment of residual value guarantees, purchase or extension options or changes in future lease payments, the lease is remeasured.

Lease payments from short-term leases as well as leases for a low-value asset are recognised as lease expenses over the term of the agreement with an effect on income.

As the **lessor**, Koenig & Bauer assesses the lease at inception on the basis of certain criteria, such as the lease term, the present value of the minimum lease payments or the likely exercise of purchase options, to determine if the lease transfers all significant risks and rewards to the lessee. If this is the case, the lease is to be classified as a finance lease. At the commencement date, the carrying amount of the underlying asset is derecognised and a lease receivable is recognised in the amount of the net investment in the lease. Any gain or loss (as the case may be) must be disclosed in the income statement. In subsequent measurement, interest income is recognised using the effective interest method, which reflects a constant periodic rate of return on the net investment. If these conditions are not met, the lease is classified as an operating lease and the lease payments received are recognised in profit or loss for the period.

Depreciation

The systematic straight-line depreciation of intangible assets, property, plant and equipment is based on their useful lives as shown in the chart.

	Years
Industrial property rights and similar rights	3 to 12
Product development costs	4 to 8
Buildings	5 to 50
Plant and machinery	3 to 15
Other facilities, factory and office equipment	1 to 12

In the case of intangible assets and property, plant and equipment, the determination of the economic useful lives is subject to management's assessment. Any change in the economic useful lives may result in an increase or decrease of systematic straight-line depreciation.

If there is any indication that intangible assets, property, plant and equipment might be impaired or that the reason for such an impairment might have become obsolete these assets are tested for impairment on the balance sheet date as per IAS 36. The recoverable amount is defined as the higher of an asset's or cash-generating unit's "fair value less costs of disposal" and its "value in use". Cash-generating units are the smallest group of units defined by the entity whose products are available for sale on an active market. The recoverable amount is calculated using a discounted cash flow method to determine the present value of discounted free cash flows. This corresponds to the value in use of the cash-generating units. Country-specific pre-tax interest rates which correspond to the weighted average cost of capital are used for discounting. It comprises a risk-free interest rate for equity components, adjusted for business risks, and the average borrowing rate of interest for debts, tax-adjusted for each unit. Future cash flows are calculated on the basis of the five-year integrated detailed plan approved by the management at the time when the impairment test is valid. The perpetual annuity for cash flows which surpass the planning period is calculated using a growth rate of 0.8%. If the recoverable amount approximates the residual carrying amount, both the value in use and the fair value less costs to sell are regularly determined. Where the recoverable amount is lower than the carrying amount the difference is disclosed as an impairment loss. If the reason for an impairment no longer applies, an adjustment in the allowance account is made, up to the amortised cost of acquisition or manufacture.

Depreciation on and impairments in intangible assets, property, plant and equipment are disclosed under the individual functions, reversals of impairment losses are disclosed as other operating income.

Goodwill is tested for impairment annually (as of December 31) and attributed to the cash-generating units. Where the recoverable amount exceeds the carrying amount (goodwill included) of the cash-generating unit, the unit is defined as unimpaired. Where the carrying amount exceeds the recoverable amount, an impairment adjustment to the lower market value is made by deducting the impairment loss from goodwill and distributing the difference among the unit assets, taking as the lower value limit the recoverable amount of the individual asset or zero, whichever is higher. Impairments of goodwill cannot be reversed. The cash flow forecast based on the management's integrated five-year detailed planning together with a subsequent perpetual annuity is used to calculate the value in use of a cash-generating unit, which contains goodwill. Along with the discount rate, planning includes anticipated developments in sales and the EBIT margin. Planning is created based on a past experience, future market predictions and margin developments expected by the management. External data concerning the development of relevant markets is also taken into account. Adjustments are made for the impact of special and one-off effects on past values when predicting individual EBIT margins.

Individual items, depreciation, impairments and impairment reversals under IAS 36 are disclosed under "Changes in Intangible Assets, Property, Plant and Equipment".

Financial assets

If contractual claims exist, financial assets are recognised at fair value upon initial recognition and are accounted for on the settlement date.

For the purpose of subsequent measurement in accordance with IFRS 9 financial assets are classified as "measured at amortised cost", "measured at fair value through other comprehensive income (FVOCI)" or "measured at fair value through profit or loss (FVTPL)". The allocation of a financial instrument to one of these three categories depends on the Group's business model and the characteristics of the instrument in question. The business model is determined on a portfolio basis in the light of past experience and the management strategy for the future, taking into account the risks associated with financial assets. The analysis of the product features includes an assessment of whether contractually agreed cash flows are solely payments of principal and interest.

A financial asset is measured **at amortised cost** using the effective interest method if it is held as part of a business model whose objective it is to collect the contractual cash flows and the terms of the contract result in solely payments of principal and interest. Any changes are recognised in profit or loss.

The **FVOCI** category includes financial assets held within a business model whose objective is both to collect the contractual cash flows and to sell those assets, provided that the terms of the contract result in solely payments of principal and interest. They are remeasured on the basis of their fair value. In the case of equity instruments, dividends are recognised in profit or loss, while other net gains or losses are recognised in other comprehensive income. They are not reclassed to the income statement.

All other assets are measured at fair value through profit and loss (**FVTPL**). Interest income, dividends and other net gains or losses are recognized through profit and loss.

Shares in affiliated, non-consolidated companies are reported under **financial investments** and classified as "FVOCI". As their business individually and in sum is not material for the Group and the fair presentation of financial position, liquidity and capital resources, and profitability, they are measured at cost. Loans are measured "at amortised cost".

Associates are companies over whose operating and financial policies Koenig & Bauer is able to exercise significant influence, generally through indirect or direct voting interests of 20% to 50%. **Joint ventures** are companies on which two or more outside parties jointly exercise control. Joint control arises if decisions on the main activities require the unanimous consent of the parties sharing control over the entity in question. Associates and joint ventures are accounted for using the equity method and initially recognised at cost of acquisition. The share of profit or loss of the associate or joint venture after acquisition is recognised in the consolidated statement of income, while the share of changes in equity not recognised in profit or loss is recognised directly in consolidated equity. The cumulative post-acquisition changes also include effects from fair value adjustments and affect the carrying amount of the investment, with any existing goodwill included in the carrying amount of the investment. If the losses of an associate or joint venture attributable to Koenig & Bauer equal or exceed the value of the investment in that entity, no further share of losses is recognised unless Koenig & Bauer has incurred obligations or made payments on behalf of the entity. The investment in an associate or joint venture is the carrying amount of the investment plus any long-term interest that is attributable to the economic substance of Koenig & Bauer's net investment in the entity. Koenig & Bauer tests associates and joint ventures for impairment whenever there is any objective evidence of impairment.

Other financial receivables include derivative financial instruments in the "FVTPL" category that are carried at fair value and receivables from lease agreements measured at their present value. Miscellaneous other financial receivables are measured "at amortised cost".

Trade receivables are measured "at amortised cost". Non-interest-bearing or low-interest receivables due for settlement in more than one year are discounted.

The **securities** are financial assets in the "FVTPL" category that are carried at fair value as of the balance sheet date.

Cash and cash equivalents are measured "at amortised cost".

They are assigned to one of three levels of a fair-value hierarchy defined in IFRS 7, where level 1 refers to quoted prices in active markets for the same instrument (without modification or repackaging); level 2 refers to quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data; and level 3 refers to valuation techniques for which any significant input is not based on observable market data. Transfers between levels are made at the end of each reporting period.

Impairment gains and losses are recognised on financial assets measured "at amortised cost" and for contract assets in an amount equalling the expected credit loss. In the case of receivables and contract assets, this involves checking on each balance sheet date whether there has been any impairment of creditworthiness and whether the credit risk has thus increased significantly. Both quantitative and qualitative information and analyses such as the length of time overdue, the nature and duration of financial difficulties or the geographical location are taken into account and forward-looking assessments are made on the basis of past experience. In addition, the average historical defaults and forward-looking information were taken into account when determining the probabilities of default. There are no material risk concentrations due to the existing broad customer base.

The following table sets out the ranges applicable to each overdue band in the Group as from this year.

Expected Credit Loss %	min.	max.
not overdue	0.0%	0.0%
overdue for ≤ 30 days	0.0%	0.4%
overdue for 31 - 90 days	0.0%	0.7%
overdue for 91 - 180 days	0.0%	1.1%
overdue for 181 - 360 days	0.0%	1.6%
overdue for > 360 days	75.0%	75.0%

If the creditworthiness of an asset is impaired, the expected credit losses are recognised as a loss allowance over the entire term of the financial asset.

If the credit risk has increased significantly since the initial recognition of assets coming within the scope of application of the general model but there is no impairment of creditworthiness, the possible payment defaults over the entire term are taken into account as a loss allowance. In the case of trade receivables and contract assets, expected credit losses are measured on the basis of a loss allowance matrix. For each business unit, the historical default probabilities of the last three years are used as a basis and adjusted to the current economic conditions using scaling factors.

All other financial assets are adjusted by the amount of the expected credit loss that may be incurred within 12 months of the balance sheet date.

The loss allowance model described in IFRS 9 requires discretionary decisions in forecasting the development of future economic conditions. However, the assumptions made are subject to uncertainty, as Koenig & Bauer can only partially influence future business developments.

Derivatives

In accordance with IFRS 9 all instruments such as swaps and future currency contracts are carried at fair value. The derivatives disclosed in the Group financial statements are classified as level 2 and level 3.

Changes in fair value are reported in net profit or loss where no hedge accounting is used.

Where hedge accounting is used, changes in fair value are reported either in equity or in the income statement. With a fair value hedge, changes in the fair value of a hedging instrument and the underlying transaction are reported as a profit or loss. With a cash flow hedge, the portion of the gain or loss in the hedging relationship that is determined to be an effective hedge is recognised directly in equity and the ineffective portion reported in the income statement. Gains and losses are reported in the income statement as soon as the hedged transaction itself is recognised.

The Group is exposed to numerous risks deriving from its global activities.

Currency risk is the risk that the value of business transactions conducted in other currencies, particularly US dollars, will fluctuate due to changes in foreign exchange rates.

Interest-related **cash flow risk** is the risk that future cash flows will fluctuate following changes in market interest rates.

Interest rate risk is the risk that the interest on deposits or loans will fluctuate as a result of changes in market interest rates.

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

These risks are contained by a risk management system. The principles laid down ensure that risk is assessed and documented in accordance with systematic and uniform procedures. Further information can be found on page 43 onwards. Derivatives in the form of marketable foreign exchange transactions (forwards and swaps) and interest rate hedges were used. Where the conditions defined in IFRS 9 for an effective hedging relationship were fulfilled, hedge accounting is used, more specifically cash flow hedges.

Inventories

Inventories are carried at the cost of purchase or conversion, with the latter including individual items, their proportionate share of total overheads and depreciation based on a normal level of plant utilisation. Where borrowing costs are directly attributable to a qualifying asset they are capitalized as part of the cost of that asset. The cost of inventories that cannot be measured on an item-by-item basis is calculated using the weighted average cost formula.

Inventories whose net realisable value on the balance sheet date were lower than cost, for example due to damage, impaired marketability or prolonged storage, are written down to the lower value. The net realisable value is the estimated sales revenue realisable in normal business minus the estimated cost of completion and pertinent distribution costs.

Equity

The issued capital is calculated from the number of no-par shares issued by Koenig & Bauer AG up to the balance sheet date.

The share premium includes the extra charge from the issue of shares, and is subject to the limitations imposed by section 150 of German Company Law.

Reserves encompass the net profits posted and retained in previous years by consolidated companies, and adjustments arising from the adoption of IFRS, more specifically IFRS 3 in 2004. Other components are the differences arising from the currency translation of foreign individual financial statements, changes in the measurement of defined benefit plans after tax, the revaluation of land after tax and changes in the market value of financial instruments after tax unless these are recognised in profit or loss.

Pension provisions

Pension provisions are measured using the projected unit credit method described in IAS 19, based on actuarial reports that recognise the present and potential benefits known on the balance sheet date, and include an estimate of anticipated increases in salaries and pensions. Actuarial gains and losses are recognised in reserves without an effect on profit or loss.

As a rule, in accordance with national and regional regulations we offer our employees defined-benefit pension plans, with benefits determined by the individual’s length of service and compensation.

Pensions are partially financed through a funded benefit system. Obligations not covered by fund assets are carried in pension provisions at the present value of the liability. The interest of the market value of plan assets is calculated with the discount rate of the pension obligation.

If the pension plans are not fully reinsured, the measurement of the retirement benefit obligations is subject to actuarial risks such as longevity risk, the risk of salary increases and interest rate risk. Market price risks exist in particular in connection with plan assets. In the case of Swiss pension funds, there is also the risk of an obligation to make additional contributions in the event of underfunding, i.e. if the benefit obligations exceed the plan assets, there is an obligation to contribute funding.

Current service costs are recognised in the individual functions. Interest income from plan assets as well as expenses from discounting obligations are recognised in the financial result.

Other provisions

These included all other corporate risks and uncertain liabilities to third parties, insofar as an outflow of resources is probable and can be reliably assessed. The amounts disclosed represent the best estimate of the expenditure needed to settle current obligations. Long-term provisions were disclosed at their present value where the interest effect was substantial.

Provisions are recognised for the **realignment** of the Group as soon as management has developed and approved a programme to improve the Group’s profitability and competitiveness through capacity and structural adjustments and the measures have been publicly announced. Provisions are estimated on the basis of the planned programs, taking into account past experience. For this purpose, the assessments of both management and external experts are used. If changes occur as a result of new findings or agreements, the amount of the provisions is duly adjusted.

The recognition of provisions for **warranties and goodwill gestures** results from statutory, contractual or individual obligations to customers for reworking, replacement deliveries and compensation payments. A lump-sum provision is recognised as a percentage of average sales in recent years on the basis of past experience. In addition, concrete and expected individual facts are allowed for.

Financial payables

A financial payable is recognised on the balance sheet as soon as contractual obligations arise from a financial instrument. Financial payables which are initially recognised at fair value, net of transaction costs, and subsequently carried at their amortised cost, are reported on the settlement date.

Bank loans are defined as **financial liabilities**.

Other financial liabilities include derivative financial instruments with a negative fair value assigned to the "FVTPL" category and measured at fair value. Lease liabilities are recognised at their present value.

Income taxes

Deferred tax assets and liabilities are recognised on temporary differences between IFRS and tax bases for Group enterprises, and on consolidation measures. Differences are calculated using the liability method specified in IAS 12, and only tax-relevant temporary differences are taken into account. Deferred tax assets include temporary differences as well as claims to future tax reductions arising from the anticipated use of existing tax loss carryforwards, where this use is probable or verified by convincing substantial evidence. Where the use is improbable, an impairment is disclosed. Deferred tax assets are calculated on the basis of 5-year corporate planning and the expected impact on earnings of taxable temporary differences. However, the assumptions made with regard to the future taxable income available for the utilisation of deferred tax assets are subject to uncertainties.

The tax rates used to calculate deferred taxes were the national rates applicable or notified on the balance sheet date, and ranged from 8% to 31%.

The effect of changes in tax rates on deferred taxes is reported when such changes were published.

The Group tax rate is the same as the Parent tax rate. Differences arising from calculations based on national tax rates are disclosed separately under "variances due to different tax rates".

Actual income taxes are determined and recognised on the basis of the respective tax results and taking into account national regulations, provided that their tax recognition is probable. On the other hand, if there are uncertainties regarding the recognition, a tax liability is created in the amount of the best possible estimate of the expected tax payment. Tax receivables from uncertain tax positions are only recognised if they are likely to be realised. The assumptions and decisions made are reviewed on each balance sheet date and adjusted if necessary based on new knowledge.

Global minimum tax

The Koenig & Bauer group falls within the scope of the OECD's "Pillar Two" Model Regime, the global minimum tax regime. The Pillar Two legislation was adopted in Germany and entered into force on December 28, 2023, for fiscal years beginning after December 30, 2023.

According to the legislation, the group must pay a minimum tax per country equal to the difference between the GloBE effective tax rate and the minimum rate of 15%. However, the law provides relief in the form of a temporary CbCR safe harbor, which, under certain conditions, allows for no additional tax to be due for the year.

Based on a CbCR calculation for the 2024 fiscal year, all jurisdictions, with the exception of the Austrian jurisdiction, can benefit from the CbCR safe harbor in 2024. The analysis for Austria resulted in an effective tax rate based on the result under IFRS Accounting Standards of less than 15% for the 2024 reporting period. However, taking into account the impact of specific adjustments provided for in the Pillar Two legislation, the Group has not recognized any actual tax expense in the income statement.

The Group makes use of the exemption from accounting for deferred taxes related to pillar-two income taxes, which was the subject of the amendments to IAS 12 published in May 2023 and endorsed by the EU on November 8, 2023.

Assets held for sale

A non-current asset is classified as being "held for sale" if management is committed to a plan to sell the asset and it is highly probable that the sale will be completed within one year from the date of classification. Before reclassification, the asset is valued in accordance with the relevant accounting standards. Such an asset will no longer be written down.

Revenue

In the case of the sale of standardised **new or used machines**, the transfer of control after delivery and assembly occurs upon the customer's readiness for production. The invoice is issued at the time of the transfer of control. The payment terms are agreed individually with the customers. In addition to individual contractual agreements, payments by the customer are usually staggered and are often divided into a prepayment, a payment at the time of delivery and a final payment after acceptance of the press. Revenue is recognised when the performance obligation is fulfilled and the customer obtains control of the press, neither a right of disposal nor effective control remains with Koenig & Bauer and it is probable that the economic benefits associated with the transaction will flow to the Company.

In the case of **customer-specific production**, control is transferred to the customer over the period in which the performance is completed. The project-specific payment terms usually provide for a prepayment and other progress billings staggered over the term.

Revenue from customer-specific production is recognised over the period in which the service is provided in accordance with IFRS 15, provided that the product has no alternative use for the Company and the Company has a legal claim to payment for the services already provided. The progress made towards complete satisfaction of a performance obligation is measured on an input basis, whereby the progress of work is determined as the ratio of the costs incurred to the calculated contract costs. The ratio of the costs incurred to the calculated contract costs adequately represents the performance progress of a customer-specific production.

In the case of **spare parts and consumables**, control generally passes to the customer upon delivery of the products. The invoice is issued at the same time, the payment period is usually up to 30 days.

Revenue is recognised when the invoice is issued to the customer.

The provision of **services** mainly comprises maintenance, repairs, consulting and similar services. Control passes to the customer and the invoice is issued when the service has been rendered. Service contracts are usually due for immediate payment, the maximum payment period is usually 30 days. In the case of service agreements, the transaction price is allocated to individual service components. Revenue is recognised when the individual service components have been fulfilled.

Revenues are recognised in the amount of the transaction price for the individual performance obligations. The transaction price is the consideration that the company expects to receive for the promised goods or services. It is generally determined on the basis of contractually agreed amounts for the sale of new and used machines, spare parts, consumables and services. Price reductions, cash discounts, bonuses and volume rebates granted are recognised at their expected value if an adjustment to the transaction price is probable.

The performance obligations for products and services rendered and invoiced to the customer are recognised under trade receivables to the extent that there is an unconditional right to consideration. Where products and services have been transferred to a customer but the Group does not yet have a contractual right to payment, the contingent consideration receivable is recognised within contract assets. Contract assets are reclassified as trade receivables as soon as there is an unconditional legal claim to payment; they are reported under other assets.

Prepayments received include the company's obligations to transfer goods and services to customers for whom a payment has already been made.

The relief provided by IFRS 15.129 and IFRS 15.121(a) was used.

Other income

Interest is recognised as profit if the amount can be measured reliably and there is a reasonable likelihood of future economic benefit. Dividends are balanced with the origination of a legal claim to payment.

Expenses by function

Cost of sales include the purchase and conversion costs of products sold. In addition to directly attributable material and prime costs these incorporate overheads, depreciation on production plant and inventory adjustments.

Research and development costs encompass costs for original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and these are recognised in full in the functional area research and development in the income statement together with development costs not recognised by IAS 38.

Distribution costs include costs for open house promotions and demonstrations for customers.

Administration costs include costs that are not related to production and cannot be allocated to distribution costs.

Wherever possible, income and expenses are attributed to their respective functions; those that cannot be attributed are disclosed under other operating income and expenses.

(D) Consolidated companies and consolidation principles

Consolidated companies

In addition to Koenig & Bauer AG, Würzburg, the consolidated financial statements include 37 (previous year: 37) companies. Two companies are accounted for using the equity method (previous year: 2).

Altogether 27 (previous year: 25) subsidiaries are excluded from the consolidated financial statements since they are of minor significance to the Group’s financial position and performance.

Consolidation principles

Upon control being acquired, affiliated companies and business combinations are consolidated by netting the acquisition costs with the Group’s share in the equity of the consolidated companies measured at fair value. Hidden reserves or liabilities are allocated to the subsidiary’s assets and liabilities. Contingent liabilities are offset against equity, and any excess of cost over the amounts allocated is recognised as goodwill. Any negative goodwill is recognised in profit or loss after a further review of the amounts calculated.

Receivables, liabilities, income and expenses relating to transactions among consolidated companies are eliminated, as were the profits from such transactions. With the exception of goodwill, temporary tax deferrals arising from the consolidation are recognised as deferred taxes under IAS 12.

(E) Foreign currency translation

The financial statements of consolidated companies prepared in a foreign currency are translated using their functional currency and the foreign entity method specified in IAS 21.

Since foreign subsidiaries are financially, economically and organisationally autonomous, their functional currency is normally the same as their local currency. In the consolidated financial statements, assets and liabilities are translated into the reporting currency at the closing rate, expenses and income at the average rate for the year and other equity at historical rates. The resulting exchange differences are disclosed in equity.

The financial statements for subsidiaries consolidated for the first time, the goodwill arising from the acquisition of such subsidiaries and adjustments in the carrying amounts of assets and liabilities to fair value are translated at the closing rate on the date of the initial consolidation. In subsequent periods goodwill is translated at the closing rate on the balance sheet date.

Currency gains and losses ensuing from consolidation are recognised as income or expense.

(F) Changes in intangible assets, property, plant and equipment

in €m	Cost								
	01.01.	Group additions	Additions	Revaluation surplus	Exchange differences	Reclassi-fications	Reclassi-fication to "assets held for sale"	Disposals	**31.12.**
2023									
Intangible assets									
Industrial property rights and similar rights	111.2	–	3.2	–	–	–	–	6.1	**108.3**
Goodwill[3]	38.4	–	–	–	–	–	–	–	**38.4**
Product development costs[3]	60.0	–	17.2	–	–	0.5	–	–	**77.7**
Prepayments and assets under construction	0.2	–	5.2	–	–	–	–	0.2	**5.2**
	209.8	**–**	**25.6**	**–**	**–**	**0.5**	**–**	**6.3**	**229.6**
Property, plant and equipment									
Land and buildings	305.3	–	9.9	0.9	0.3	–	–	0.1	**316.3**
Plant and machinery	164.4	–	3.2	–	-0.5	6.7	–	1.1	**172.7**
Other facilities, factory and office equipment	190.0	–	11.4	–	0.4	0.3	–	7.7	**194.4**
Prepayments and assets under construction	14.4	–	14.1	–	–	-7.5	–	0.7	**20.3**
	674.1	**–**	**38.6**	**0.9**	**0.2**	**-0.5**	**–**	**9.6**	**703.7**
	883.9	**–**	**64.2**	**0.9**	**0.2**	**–**	**–**	**15.9**	**933.3**
2024									
Intangible assets									
Industrial property rights and similar rights	108.3	–	0.8	–	–	0.1	–	–	**109.2**
Goodwill[3]	38.4	2.4	–	–	–	–	–	–	**40.8**
Product development costs[3]	77.7	–	12.6	–	0.2	–	–	–	**90.5**
Prepayments and assets under construction	5.2	–	10.2	–	–	-0.1	–	–	**15.3**
	229.6	**2.4**	**23.6**	**–**	**0.2**	**–**	**–**	**–**	**255.8**
Property, plant and equipment									
Land and buildings	316.3	–	3.8	0.9	-0.2	–	-18.0	1.6	**301.2**
Plant and machinery	172.7	–	2.4	–	-0.4	4.2	-0.4	3.1	**175.4**
Other facilities, factory and office equipment	194.4	0.2	21.3	–	0.2	10.8	-0.2	19.6	**207.1**
Prepayments and assets under construction	20.3	–	1.4	–	–	-15.0	–	–	**6.7**
	703.7	**0.2**	**28.9**	**0.9**	**-0.4**	**–**	**-18.6**	**24.3**	**690.4**
	933.3	**2.6**	**52.5**	**0.9**	**-0.2**	**–**	**-18.6**	**24.3**	**946.2**

[1] Segment Special
[2] Reconciliation (from use of the revaluation method)
[3] Level 3 of fair-value hierarchy

Depreciation								Carrying amount	
01.01.	Group additions	Annual depreciation	Impairments	Exchange differences	Reclassi-fication to "assets held for sale"	Disposals	31.12.	01.01.	31.12.
53.6	–	7.0	–	–	–	6.0	54.6	57.6	53.7
1.0	–	–	–	–	–	–	1.0	37.4	37.4
10.2	–	6.1	2.1[1]	–	–	–	18.4	49.8	59.3
0.1	–	–	–	–	–	0.1	–	0.1	5.2
64.9	–	13.1	2.1	–	–	6.1	74.0	144.9	155.6
157.0	–	10.1	0.1[2]	0.2	–	0.1	167.3	148.3	149.0
140.2	–	5.2	–	-0.3	–	1.1	144.0	24.2	28.7
128.2	–	15.1	–	0.4	–	6.8	136.9	61.8	57.5
–	–	–	–	–	–	–	–	14.4	20.3
425.4	–	30.4	0.1	0.3	–	8.0	448.2	248.7	255.5
490.3	–	43.5	2.2	0.3	–	14.1	522.2	393.6	411.1
54.6	–	6.5	–	–	–	–	61.1	53.7	48.1
1.0	–	–	–	–	–	–	1.0	37.4	39.8
18.4	–	6.3	2.4[1]	–	–	–	27.1	59.3	63.4
–	–	–	–	–	–	–	–	5.2	15.3
74.0	–	12.8	2.4	–	–	–	89.2	155.6	166.6
167.3	–	10.2	–	–	-10.1	0.8	166.6	149.0	134.6
144.0	–	5.7	–	-0.2	-0.4	3.1	146.0	28.7	29.4
136.9	0.1	15.6	–	0.3	-0.2	10.7	142.0	57.5	65.1
–	–	–	–	–	–	–	–	20.3	6.7
448.2	0.1	31.5	–	0.1	-10.7	14.6	454.6	255.5	235.8
522.2	0.1	44.3	2.4	0.1	-10.7	14.6	543.8	411.1	402.4

(G) Explanatory notes to the balance sheet

(1) Intangible assets, property, plant and equipment

Information on the intangible assets and property, plant and equipment contained in leases in accordance with IFRS 16 is provided for leases under Note (G) (14).

Government grants for promoting investment reduced the carrying amounts for property, plant and equipment by € 1.3m (previous year: € 1.6m).

Intangible assets

The additions to industrial property rights and similar rights as well as prepayments made and assets under construction primarily relate to the implementation of the SAP ERP system, additions to development costs result from new developments in the segment Special and from reconciliation.

Goodwill is made up as follows:

in €m	31.12.2023	**31.12.2024**
Koenig & Bauer MetalPrint GmbH, Stuttgart, Germany	12.6	12.6
Business Unit Security	8.8	8.8
Business Unit Sheetfed	–	2.4
Koenig & Bauer Kammann GmbH, Löhne, Germany	5.4	5.4
Koenig Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş., Istanbul, Turkey	10.6	10.6
	37.4	**39.8**

On January 30, 2024, 100% of the shares of the former Spanish representatives (Koenig & Bauer Lauvic S.L. und Lauvic Servicio Asistencia Tecnica S.L.) were acquired. The acquisition aims to secure distribution in the Spanish market. A purchase price of € 3.1m was agreed for the acquisition. Of this, € 2.3m was paid in the reporting year. € 0.8m is accounted for as other financial liabilities. The acquired assets include € 0.2m in property, plant and equipment, € 0.6m in trade receivables and € 0.5m in cash and cash equivalents. This was offset by acquired liabilities, which consist of € 0.4m in trade payables, € 0.1m in other current liabilities and € 0.1m in current income tax liabilities. This corresponds to an acquired net worth of € 0.7m. The purchase price allocation carried out did not reveal any significant existing hidden reserves or liabilities. The goodwill of € 2.4m resulting from the acquisition was allocated to the Sheetfed division and relates to existing synergies in the sales network. It is not tax-deductible. As a result of the acquisition, € 4.5m in revenue and € 0.2m in earnings were included in the consolidated financial statements. Had the acquisition already taken place on January 1, 2024, revenue would have been € 4.8m and earnings would have been € 0.2m.

In compliance with IAS 36 impairment tests were conducted on the balance sheet date for all cash-generating units to which goodwill was attributable. Significant assumptions on which the calculation of the value in use is based are summarised in the following table.

Cash-generating unit	Number of planning periods	Pre-tax interest rate	Post-tax interest rate
2023			
Koenig & Bauer MetalPrint GmbH, Stuttgart, Germany	5	11.3%	8.8%
Business Unit Security	5	10.3%	9.0%
Koenig & Bauer Kammann GmbH, Löhne, Germany	5	12.0%	8.8%
Koenig Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş., Istanbul, Turkey	5	11.0%	8.9%
2024			
Koenig & Bauer MetalPrint GmbH, Stuttgart, Germany	5	10.1%	7.9%
Business Unit Security	5	9.3%	8.1%
Business Unit Sheetfed	5	10.6%	7.9%
Koenig & Bauer Kammann GmbH, Löhne, Germany	5	10.7%	7.9%
Koenig Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş., Istanbul, Turkey	5	9.8%	8.0%

The transition to a perpetual annuity assumes a growth rate for EBIT of 0.8% (previous year: 0.8%).

In addition, all cash-generating units were tested for impairment as at 31 December 2024. No adjustments were needed.

Koenig & Bauer assumes on the basis of various sensitivity analyses that no impairment is required for the cash-generating units even in the event of any changes in the key planning assumptions that are considered to be possible.

Property, plant and equipment

Additions to property, plant and equipment primarily related to new and replacement plant and machinery as well as other facilities, factory and office equipment.

Changes in value of € 0.9m (previous year: € 0.8m) were recognised from the application of the revaluation method to land.

Applying the acquisition cost method would have resulted in a book value of € 19.1m (previous year: € 21.4m) for land.

(2) Financial and other assets

Investments

All interests and associates held by Koenig & Bauer AG are shown in the table below. Unless otherwise indicated, the figures for equity are those disclosed in the single-entity statements audited under the pertinent national accounting laws, and correspond to additional disclosures under the German Commercial Code. Statements in foreign currencies show equity translated at the balance sheet date. Capital share corresponds to the number of voting rights.

Company, location	Capital share in %	Equity in €m
Consolidated affiliates		
Koenig & Bauer Industrial GmbH, Würzburg, Germany	100.0	27.9
Koenig & Bauer Sheetfed Management GmbH, Radebeul, Germany	100.0	0.1
Koenig & Bauer Sheetfed AG & Co. KG, Radebeul, Germany	100.0	-24.1[2]
Koenig & Bauer Digital & Webfed Management GmbH, Würzburg, Germany	100.0	0.1
Koenig & Bauer Digital & Webfed AG & Co. KG, Würzburg, Germany	100.0	-114.5[2]
Koenig & Bauer Banknote Solutions GmbH, Würzburg, Germany	100.0	256.5
Koenig & Bauer Banknote Solutions (DE) GmbH, Würzburg, Germany[1]	100.0	126.3
Koenig & Bauer Vision & Protection GmbH, Würzburg, Germany	100.0	11.5
Koenig & Bauer Finance GmbH, Würzburg, Germany	100.0	0.1
Koenig & Bauer Gießerei GmbH, Würzburg, Germany[1]	100.0	2.6
Albert-Frankenthal GmbH, Frankenthal, Germany	100.0	1.8
Koenig & Bauer (DE) GmbH, Radebeul, Germany	100.0	0.4
Koenig & Bauer Coding GmbH, Veitshöchheim, Germany	100.0	21.3
Koenig & Bauer MetalPrint GmbH, Stuttgart, Germany	100.0	6.1
Koenig & Bauer Kammann GmbH, Löhne, Germany	100.0	2.5
Koenig & Bauer (AT) GmbH, Mödling, Austria[1]	100.0	29.9
Holland Graphic Occasions B.V., Wieringerwerf, Netherlands	100.0	0.6
Koenig & Bauer (FR) SAS, Tremblay-en-France, France	100.0	3.4
Koenig & Bauer IT S.R.L., Lainate, Italy	100.0	3.1
Koenig & Bauer Flexotecnica S.p.A., Tavazzano, Italy	100.0	0.9
Koenig & Bauer Iberica, S.A., Gavà (Barcelona), Spain	100.0	4.7
Koenig & Bauer (ES) S.L.U., Esplugues de Llobregat, Spain	100.0	0.9
Koenig & Bauer (UK) Limited, Watford, UK	100.0	4.0
Koenig & Bauer Grafitec s.r.o., Dobruška, Czech Republic	100.0	19.8
KBA-SWISS HOLDING SA, Lausanne, Switzerland[1]	100.0	48.2
Koenig & Bauer Banknote Solutions SA, Lausanne, Switzerland[1]	100.0	77.5
Koenig & Bauer Banknote Solutions International SA, Geneva, Switzerland[1]	100.0	0.5
Koenig & Bauer (CH) AG, Höri, Switzerland	100.0	2.6
Koenig & Bauer (CEE) Sp. z o.o., Warsaw, Poland	100.0	4.6
Koenig Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş., Istanbul, Turkey	90.0	4.5
Koenig & Bauer (US) Inc., Wilmington, DE, USA[3]	100.0	34.5
Koenig & Bauer LATAM, S.A.P.I. de C.V., Mexico City, Mexico	100.0	3.6
Koenig & Bauer (HK) Co. Limited, Hong Kong, China[4]	100.0	3.6
Koenig & Bauer Printing Machinery (Shanghai) Co., Limited, Shanghai, China	100.0	2.1

[1] Indirect interests
[2] Deficit not covered by equity
[3] Including pre-consolidation Koenig & Bauer (CA) Inc., Toronto, Canada (100%)
[4] Including pre-consolidation Koenig & Bauer Printing Machinery (Dongguan) Co. Limited, Dongguan, China (100%) and Taiwan Koenig & Bauer Co. Limited, Taipei, Taiwan (100%)

Company, location	Capital share in %	Equity in €m
Non-consolidated affiliates		
Koenig & Bauer DK A/S, Værløse, Denmark	100.0	-0.2[2,3]
Koenig & Bauer Banknote Solutions (US) Inc., Washington D.C., USA[1]	100.0	0.3
Koenig & Bauer (RU), LLC, Moscow, Russia	100.0	-0.6[2]
Koenig & Bauer Kammann (US), Inc., Portsmouth, NH, USA[1]	100.0	3.6
Koenig & Bauer Kammann (Shanghai) Co., Ltd., Shanghai, China[1]	100.0	0.2
Koenig & Bauer RS d.o.o., Belgrade, Serbia[1]	100.0	0.4[3]
Koenig & Bauer (HU) Kft., Fót, Hungary[1]	100.0	0.3[3]
Koenig & Bauer (BR) Comércio de Impressoras e Serviços Ltda., São Paulo, Brasil	100.0	0.9
Koenig & Bauer (SEA) Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	0.7
Koenig & Bauer KR Co. Ltd., Goyang-si, South Korea	100.0	0.6
Koenig & Bauer (JP) Co., Ltd, Tokyo, Japan	100.0	0.2
Koenig & Bauer (AU) Pty Ltd, Mount Waverley, Australia	100.0	0.3
Koenig & Bauer Coding (NL) B.V., Bergschenhoek, Netherlands[1]	100.0	0.2[3]
Koenig & Bauer Coding (FRA) SAS, Taluyers, France[1]	70.0	1.1[3]
Koenig & Bauer Coding (PL) Sp. z.o.o., Dopiewo-Dabrowa, Poland[1]	67.0	0.3
Koenig & Bauer Coding (Hangzhou) Co., Ltd., Hangzhou, China[1]	100.0	0.9
All-Print Holding AB, Stockholm, Sweden[1]	100.0	0.8[3]
Koenig & Bauer Coding Sverige AB, Stockholm, Sweden[1]	76.0	0.9[3]
Koenig & Bauer Banknote Solutions (IN) Private Limited, New Delhi, India[1]	100.0	1.3[3]
Koenig & Bauer Banknote Solutions (Beijing) Ltd., Beijing, China[1]	100.0	0.2
Koenig & Bauer Banknote Solutions (SEA) Limited, Hong Kong, China[1]	100.0	0.1[3]
Koenig & Bauer Banknote Solutions (AR) S.R.L., Buenos Aires, Argentina[1]	100.0	0.0[3]
KBA NOTASYS Egypt LLC, Cairo, Egypt[1]	100.0	-1.2[2,3]
KOENIG & BAUER CURRENCY SOLUTIONS, SOCIEDAD ANÓNIMA DE CAPITAL VARIABLE, Mexico City, Mexico[1]	60.0	0.0[3]
LenSys Sarl, Lausanne, Switzerland[1]	70.0	0.2[3]
Koenig & Bauer Press Consum DK ApS, Hasselager, Denmark[1]	51.0	0.2[3]
Koenig & Bauer Press Consum (SWE) AB, Löddeköpinge, Sweden[1]	51.0	0.0[3]
Associates		
Koenig & Bauer Durst GmbH, Würzburg, Germany	50.0	-54.3[2,3]
Koenig & Bauer Celmacch S.R.L., Desenzano del Garda, Italy	49.0	8.6

[1] Indirect interests
[2] Deficit not covered by equity
[3] Preliminary figures

Koenig & Bauer Immobilien GmbH was merged into Koenig & Bauer AG on January 1, 2024.

As of January 31, 2024, the former Spanish representative (consisting of Koenig & Bauer Lauvic S.L. and Lauvic Servicio Asistencia Tecnica S.L.) was acquired. The two companies were merged in December 2024 and renamed Koenig & Bauer (ES) S.L.U.

On October 1, 2024, the remaining 10% of the shares in the company Koenig & Bauer LATAM, S.A.P.I. de C.V. in Mexico were acquired. The shareholding of Koenig & Bauer AG is now 100%.

On December 20, 2024 additional 10% shares in the company Koenig Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş in Turkey were acquired. The shareholding of Koenig & Bauer AG is now 90%.

As a result of these acquisitions, the shares of other shareholders of Koenig & Bauer Duran Karton Ambalaj Teknolojileri Sanayi A.Ş decreased from € 1.2m in the previous year to € 0.6m and for Koenig & Bauer LATAM, S.A.P.I. de C.V. from € 0.3m in the previous year to € 0.2m in the financial year.

The company Koenig & Bauer Vision & Protection GmbH was founded on October 17, 2024. The entry in the commercial register took place on November 21, 2024. The company started its economic activity on December 31, 2024.

Shares in other companies

Since 17 May 2019, Koenig & Bauer Durst GmbH, Würzburg has been operated as a joint venture between Koenig & Bauer and the Durst Group, with both parent companies each holding a 50% stake. The company is dedicated to the development and marketing of single-pass digital printing systems for the folding carton and corrugated board industry.

Under the terms of the contractual agreement, both parties will provide the joint venture with distribution channels and service capacities and grant limited rights of use to the required intellectual property rights. The financing of ongoing operations is governed by a jointly agreed business plan. If necessary, both parties are contractually obliged to comply with their financing activities towards Koenig & Bauer Durst GmbH.

In July 2022, Koenig & Bauer acquired 49% of the shares in Celmacch Group S.R.L. Accordingly, Koenig & Bauer gained decisive control over that company. Celmacch Group S.R.L. is an Italian manufacturer of high board line flexographic printing presses and rotary die cutters for the corrugated board industry. Koenig & Bauer addresses this market with the complementary products ChromaCut. This laid the foundation for joint further development and marketing in the growth market of corrugated board. Koenig & Bauer AG has an option to successively acquire further shares in Koenig & Bauer Celmacch S.R.L.. The successive acquisition of up to 80% of the shares can be executed in two further steps by 2029 at the earliest.

The Group’s shares in associates are recognised in accordance with the equity method of accounting. Reconciliation of the combined financial information to the carrying amount of the interest in the Group and the Group’s share of the profit for the year is presented in the following tables.

	Koenig & Bauer Durst GmbH		Koenig & Bauer Celmacch S.R.L	
in €m	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**
Non-current assets	–	1.5	1.1	1.0
Current assets	22.8	20.5	40.7	37.5
Non-current liabilities	–	–	-0.9	-0.7
Current liabilities	-59.2	-76.3	-32.7	-29.9
Net assets (100%)	**-36.4**	**-54.3**	**8.2**	**7.9**
Group share in net assets	-18.2	-27.2	4.0	3.9
Shares in associates	-0.2	-0.2	16.4	16.1
Unrecognised share of net assets (including PPA effects)	-18.0	-27.0	-5.3	-6.4
Financial investments in associates	**–**	**–**	**15.1**	**13.6**

in €m	Koenig & Bauer Durst GmbH 2023	Koenig & Bauer Durst GmbH 2024	Koenig & Bauer Celmacch S.R.L 2023	Koenig & Bauer Celmacch S.R.L 2024
Revenue	8.5	16.2	36.8	17.4
Earnings (100%)	**-9.9**	**-15.6**	**2.2**	**0.4**
Group share of earnings	-4.9	-7.8	1.1	0.2
Unrecognised share of earnings	-4.9	-7.8	1.1	0.2
Group share of earnings	**–**	**–**	**1.1**	**0.2**

Financial and other assets

The terms to maturity of financial and other assets are shown below:

in €m	31.12.2023	Term to maturity up to 1 year	Term to maturity more than 1 year	**31.12.2024**	**Term to maturity up to 1 year**	**Term to maturity more than 1 year**
Trade receivables						
from affiliates	6.5	6.5	–	4.4	4.4	–
from associates	3.8	3.8	–	6.3	6.3	–
from third parties	145.9	140.1	5.8	131.4	125.7	5.7
	156.2	**150.4**	**5.8**	**142.1**	**136.4**	**5.7**
Investments	21.9	–	21.9	20.5	–	20.5
Other financial receivables						
from affiliates	1.6	1.6	–	3.6	3.6	–
from associates	20.5	20.5	–	28.4	28.4	–
derivatives	0.7	0.7	–	–	–	–
sundry other financial receivables	36.9	18.5	18.4	36.0	25.3	10.7
	81.6	**41.3**	**40.3**	**88.5**	**57.3**	**31.2**
Other assets						
contract assets	100.6	99.6	1.0	119.6	119.2	0.4
payments for inventories to associates	–	–	–	1.7	1.7	–
payments for inventories to third parties	17.7	17.7	–	13.8	13.8	–
tax receivables	24.7	24.4	0.3	30.6	30.6	–
prepayments	10.0	6.7	3.3	11.8	8.0	3.8
	153.0	**148.4**	**4.6**	**177.5**	**173.3**	**4.2**
	390.8	**340.1**	**50.7**	**408.1**	**367.0**	**41.1**

Performance obligations for customer contracts comprise **trade receivables** of € 39.6m (previous year: € 51.0m) and **contract assets** of € 117.9m (previous year: € 96.8m).

The carrying amounts of trade receivables include receivables subject to a factoring agreement. Under this agreement, the corresponding receivables were transferred to the factor for a fee. However, the risks and opportunities arising from this agreement remain with Koenig & Bauer due to the partial retention of the late payment risk and the default risk for a retention. Therefore, as of the balance sheet date, there is a continuing involvement from the factoring agreement of € 1.0m (previous year: € 0.0m)
.

The increase in contract assets in the Group is mainly due to the increased performance of services and the associated increase in the progress of work for customer-specific manufacturing orders.

Other financial receivables from derivatives are detailed in Note (G) (12).

Miscellaneous **other financial assets** comprise non-current claims of € 8.0m (previous year: € 15.4m) held against insurance companies arising from the partial external funding of the company pension scheme in Germany.

They also include a finance lease entered into with a customer in 2021. Lease receivables of € 0.2m (previous year: € 0.3m) were recognised for this contract at the end of the year. These correspond to the net investment in the lease. The interest component amounts to € 0.0m (previous year: € 0.0m). € 0.2m of the lease receivables are due for settlement within one year as a cash inflow (previous year: € 0.2m) and a further € 0.1m in 2026. This contract expires in 2026.

(3) Inventories

in €m	31.12.2023	**31.12.2024**
Raw materials, consumables and supplies	161.5	133.5
Work in progress	255.8	224.0
Finished goods and products	9.5	11.4
	426.8	**368.9**

The carrying amount of inventories balanced at net realisable value was € 209.6m (previous year: € 214.8m). In the year under review, additions of € 14.6m (previous year: € 11.9m), reversals of € 1.1m (previous year: € 0.8m) and consumption of € 14.1m (previous year: € 4.2m) resulted in a total decrease in value adjustments of € 0.6m recognised in profit or loss (previous year increase: € 6.9m). The additions include extraordinary write-downs for the Segment Digital & Webfed of € 9.8m. Consumption in the Segment Special reduced by € 3.3m.

(4) Securities

These refer to shares in a fund combining stocks and bonds. The market value of the fund was € 7.4m (previous year: € 6.8m). In so far as the securities are pledged to employees in order to hedge phased retirement schemes, a balancing of the market value with the other provisions takes place.

(5) Cash and cash equivalents

in €m	31.12.2023	**31.12.2024**
Cheques, cash in hand	0.1	0.3
Balances with banks	96.3	133.4
	96.4	**133.7**

(6) Assets held for Sale

In the reporting year Management decided to sell two land and building assets, one in Germany and the other in Switzerland. The binding sale contracts were concluded before the balance sheet date. The transfer of control will take place during the year 2025. The corresponding fair values were reclassified from property, plant and equipment to assets held for sale. Prior to the reclassification, the assets were valued in accordance with the applicable accounting standards. Fixed assets were valued at the higher of their carrying amount and their realizable value less costs to sell.

in €m	31.12.2023	**31.12.2024**
Assets held for Sale	–	**7.9**

(7) Deferred taxes

Deferred tax assets and liabilities relate to the following items:

	Deferred tax assets		Deferred tax liabilities	
in €m	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**
Assets				
Intangible assets, property, plant and equipment	1.0	1.3	44.2	42.7
Inventories	46.2	50.3	1.1	7.2
Financial receivables and other assets	11.4	12.4	23.4	28.1
Securities	0.7	0.6	0.2	0.2
Assets held for Sale	–	–	–	1.6
Equity and liabilities				
Provisions	35.9	36.5	8.5	6.3
Financial payables and other liabilities	10.6	20.7	45.7	53.5
	105.8	**121.8**	**123.1**	**139.6**
Tax loss carryforwards	38.9	38.1	–	–
Others	–	–	-0.1	-0.1
Offset	-51.5	-64.6	-51.5	-64.6
	93.2	**95.3**	**71.5**	**74.9**
of which current deferred taxes	7.8	13.1	18.1	21.6

At the end of the year there were loss carryforwards of € 432.0m (previous year: € 330.4m) and temporary differences of € 147.8m (previous year: € 149.3m) for which no deferred tax assets were recognised. The recognition of deferred tax assets, even though the respective companies made a loss, amounted to € 30.5m (previous year: € 28.3m). In addition, there were interest carryforwards of € 23.4m (previous year: € 2.8m) for which no deferred tax assets were recognized.

No deferred tax liability was recognised on temporary differences on shares of € 2.7m (previous year: € 3.3m), as a reversal is not likely in the foreseeable future.

(8) Equity

The purpose of capital management is to maintain our creditworthiness in capital markets, support our operating activities with adequate liquidity and substantially enhance our corporate value.

Management controls the Group's liquidity on the basis of continuous monitoring and planning of cash flows, taking into account credit lines and the maturity structure of financial assets and liabilities. For this purpose, net working capital (31 December 2024: € 292.5m, previous year: € 379.0m) and the net financial position (31 December 2024: € -128.1m, previous year: € -147.6m) are the main target and control parameters.

The Group has access to syndicated finance with a term until October 2028, which can optionally be extended by two years subject to agreement with the lenders. In addition to a revolving cash facility of € 300m, the syndicated finance includes a guarantee facility of € 200m. The new syndicated facility replaces the existing arrangements, which were due to expire in December 2024. There are no longer any restrictions on dividend distributions. Compliance with the contractual leverage ratio and observance of a minimum amount of equity were reviewed at regular intervals. The covenants were complied with in 2024.

The Group-wide external financing framework also consists of further credit facilities, including for guarantees, of a significant scale.

Credit facilities not utilised by Koenig & Bauer amounted to € 51.3m as of the reporting date (previous year: € 77.8m).

Changes in shareholders' equity are described on page 67.

Share capital

The Parent's share capital at 31 December 2024 totalled 16,524,783 (previous year: 16,524,783) no-par shares with a nominal value of € 2.60. At the annual general meeting held on 24 May 2022, the shareholders authorized the Management Board to increase the Company's subscribed capital by up to € 8.6m through the issue of new shares. This authorisation expires on 23 May 2026.

All bearer shares issued were paid up in full and convey attendance and voting rights at shareholder meetings plus full dividend entitlement.

Share premium

There was no change to capital reserves compared to the previous year.

Reserves

The use of hedge accounting decreased reserves by € 6.3m (previous year: € 0.6m). During completion of the underlying transactions € 0.5m was recognised through income and expense (previous year: € 0.5m).

Deferred taxes changed reserves by € 1.5m (previous year: € 8.5m), with defined benefit pension plans accounting for € 0.2m (previous year: € 8.6m), with derivatives of € 1.5m (previous year: € 0.0m) and with revaluation of land € -0.2m (previous year: € -0.1m).

(9) Pension provisions and similar obligations

Koenig & Bauer grants retirement, disability and survivors' benefits to a large number of employees. The main pension obligations are in Germany and Switzerland.

In Germany, the company pension scheme has been converted from a defined benefit obligation with pension benefits which were defined as a fixed amount subject to adjustment rates or which were based on the applicable wage and salary group upon eligibility arising in favour of a defined contribution obligation. Koenig & Bauer provides the participating employees with an initial component for the past service period until 31 December 2016 as well as recurring contributions based on the salary group which are paid into a pension liability insurance scheme together with the contributions made by the employees. The benefits are paid in the form of a monthly pension. Parts of the pension liability insurance are individually pledged to the respective beneficiaries or are held as part of a CTA construction and are thus classified as plan assets, which are offset against the underlying obligation. In addition, there are further non-pledged pension liability insurance policies classified as refund claims in accordance with IAS 19. They are reported within other financial receivables.

In Switzerland retirement benefits include legally defined benefits that are secured by pension funds. Employers' and employees' contributions are paid into these pension funds. Employees can choose between a one-off payment or regular payments upon retirement, invalidity or death. The plans are fully funded by the Group's subsidiaries. The funding requirements are based on the pension fund's actuarial measurement framework set out in the funding policies of the plan.

The extent of the (defined-benefit) pension obligation was calculated using actuarial methods which necessarily entailed making estimates.

The discount rate of 3.5% (previous year: 3.4%) applied in Germany was calculated on the basis of capital market interest rates provided by Heubeck AG. It is based on the individual cash flow profile and the final interest rate is determined using the discounted cash flow method. In the so-called 5A approach, the expected payments are linked to the bond values of the corresponding durations from the 2A and 3A bond values. There are sufficient bond values that result in reliable interest rates even with higher durations.

In the case of other European companies, a weighted discount rate of 1.8% (previous year: 2.0%) is applied. In addition, salary increase rates of 2.8% (previous year: 2.8%) are assumed for other European countries. The pension adjustment rate is assumed to be 2.0% (previous year: 2.0%) in Germany and 0.2% (previous year: 1.0%) in other European countries. In addition, there are commitments in Germany with a fixed pension adjustment of 1%. In addition, a pension trend of 4.5% was applied for the following year to take into account the inflation that has already occurred and which exceeds the assumed pension increase for the existing pension commitments in Germany. Changes in actuarial assumptions that are not otherwise explained in detail had only an insignificant impact on the retirement benefit obligations. The 2018 G Heubeck guidelines are used as a basis for the assessment of the German pension obligations.

The present value of pension obligations and the fair value of plan assets changed as follows:

.

in €m	Present value of pension obligations 31.12.2023	Present value of pension obligations 31.12.2024	Fair value of plan assets 31.12.2023	Fair value of plan assets 31.12.2024	Net obligation/ net asset 31.12.2023	Net obligation/ net asset 31.12.2024
Status at 01.01.	**210.2**	**243.7**	**-126.8**	**-141.9**	**83.4**	**101.8**
Recognised in profit or loss						
Current service cost	6.0	7.4	–	–	6.0	7.4
Interest expense/income	7.1	6.7	-4.2	-3.7	2.9	3.0
	13.1	**14.1**	**-4.2**	**-3.7**	**8.9**	**10.4**
Recognised in other comprehensive income						
Actuarial gain/loss						
demographic assumptions	–	-0.1	–	–	–	-0.1
financial assumptions	24.7	4.9	-0.1	-0.4	24.6	4.5
experience adjustments	0.1	-0.8	0.3	-0.1	0.4	-0.9
Return on plan assets	–	–	-0.9	3.2	-0.9	3.2
	24.8	**4.0**	**-0.7**	**2.7**	**24.1**	**6.7**
Other						
Contributions paid by employer	–	–	-6.7	-7.1	-6.7	-7.1
Contributions paid by plan beneficiaries	0.5	0.4	-3.4	-3.6	-2.9	-3.2
Benefits paid	-9.7	-15.8	4.1	9.8	-5.6	-6.0
Foreign currency changes	4.8	-0.7	-4.2	0.4	0.6	-0.3
	-4.4	**-16.1**	**-10.2**	**-0.5**	**-14.6**	**-16.6**
Status at 31.12.	**243.7**	**245.7**	**-141.9**	**-143.4**	**101.8**	**102.3**

Pension provisions and similar obligations constituted the following:

in €m	31.12.2023	31.12.2024
Present value of non-funded obligations	85.4	81.2
Present value of funded obligations	158.3	164.5
Present value of obligations	**243.7**	**245.7**
Fair value of plan assets	-141.9	-143.4
Net value	**101.8**	**102.3**
Pension provisions and similar obligations	104.8	105.3
Net defined benefit asset	-3.0	-3.0

Plan assets comprised € 22.3m (previous year: € 21.8m) from shares and equity securities, € 9.2m (previous year: € 7.4m) from loans, € 5.2m (previous year: € 5.5m) from cash and cash equivalents, € 71.0m (previous year: € 65.3m) from pension liability insurance, € 14.5m (previous year: € 19.8m) from real estate and € 21.1m (previous year € 22.1m) from other assets. All shares, equity securities and loans have quoted prices in active markets. All loans are bonds issued by European governments and are rated AA or AAA, based on rating agency ratings.

Furthermore, the following reimbursement rights exist under pension liability insurance.

	Present value of reimbursement rights	
in €m	31.12.2023	**31.12.2024**
Status at 01.01.	**7.8**	**7.7**
Recognised in profit or loss		
Interest expense/income	0.3	0.3
	0.3	**0.3**
Other		
Benefits paid	-0.4	-0.4
	-0.4	**-0.4**
Status at 31.12.	**7.7**	**7.6**

The actual return on plan assets was € 4.1m (previous year: € 4.3m). The anticipated rate of return is 2.6% (previous year: 3.0%), based on returns in previous years.

The plan contributions to be paid in 2025 will amount to € 10.8m (previous year: € 10.2m). In addition, retirement benefits of € 5.6m (previous year: € 5.2m) are payable.

The weighted duration of pension obligations is 15.1 years (previous year: 15.4 years).

Defined-benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market risk.

Expenses for defined-contribution plans totalled € 35.6m (previous year: € 34.4m).

The impacts of a change to an actuarial parameter on the present value of a pension obligation, whereby residual parameters remain unchanged, were as follows:

	Benefit obligation			
	Increase		Decrease	
in €m	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**
Discount rate (0.5% change)	-16.3	**-16.3**	18.4	**18.4**
Salary increase rate (0.5% change)	1.1	**0.8**	-1.0	**-0.8**
Pension increase rate (0.5% change)	9.1	**9.0**	-5.2	**-4.9**
Fluctuation rate (0.5% change)	0.1	**–**	-0.1	**–**
Life expectancy (1 year change)	6.7	**6.5**	-6.8	**-6.7**

(10) Other provisions

in €m	01.01.2024	Utilisation	Reversal	Addition	Unwind of discount	Exchange differences	Reclassi-fications	31.12.2024
Other provisions								
for personnel and social obligations	17.2	9.8	0.2	10.4	0.1	0.1	-0.1	**17.7**
for restructuring	1.9	1.5	0.3	16.4	–	–	–	**16.5**
for warranties and goodwill gestures	35.4	14.9	4.4	18.9	–	0.7	–	**35.7**
for obligations related to sales	18.9	6.4	0.2	2.7	–	0.1	–	**15.1**
for sundry obligations	53.3	28.7	1.2	32.5	–	0.7	0.1	**56.7**
	126.7	**61.3**	**6.3**	**80.9**	**0.1**	**1.6**	**–**	**141.7**
of which								
non-current provisions	37.0							**30.7**
current provisions	89.7							**111.0**
	126.7							**141.7**

Provisions for **personnel and social obligations** include provisions for long-service benefits, performance-related remuneration and phased retirement credits as far as these were not offset against securities.

The provisions for **restructuring** include provisions for personnel measures (severance payments and leave of absence) within the framework of the Spotlight focus program. This has impacted the Digital & Webfed Segment and the Special Segment of Koenig & Bauer AG. Additions to the restructuring provision amounting to € 16.4m were made.

The provisions for **warranties and goodwill gestures** relate to future warranty and goodwill gestures cases arising from statutory, contractual or individual obligations towards our customers for reworking, replacement deliveries and compensation payments.

Provisions for **obligations related to sales** refer in particular to litigation risks, commission obligations and provisions for contingent losses.

The provisions for **sundry obligations** include performance obligations of € 30.1m (previous year: € 28.6m) as well as, dismantling obligations and other obligations.

Long-term provisions included obligations relating to phased retirements plans, long-service benefits and all sundry other provisions with a maturity of more than 1 year.

Koenig & Bauer assumes that of the current provisions € 10.4m for personnel obligations, € 10.7m for restructuring, € 31.6m for warranties and goodwill gestures, € 15.1m for obligations related to sales and € 43.2m for sundry obligations will lead to a cash outflow within one year. Cash outflows are not expected to occur until 2026 in the case of all the other provisions.

(11) Financial and other liabilities

in €m	31.12.2023	Term to maturity up to 1 year	Term to maturity more than 1 year	**31.12.2024**	**Term to maturity up to 1 year**	**Term to maturity more than 1 year**
Trade payables						
to affiliates	1.3	1.3	–	0.5	0.5	–
to associates	0.2	0.2	–	1.3	1.3	–
to third parties	77.8	77.8	–	70.4	70.4	–
	79.3	**79.3**	**–**	**72.2**	**72.2**	**–**
Bank loans	244.0	52.8	191.2	261.8	20.9	240.9
Other financial payables						
from derivatives	0.6	0.6	–	5.0	0.8	4.2
sundry	111.2	85.2	26.0	121.2	95.9	25.3
	355.8	**138.6**	**217.2**	**388.0**	**117.6**	**270.4**
Other liabilities						
from payments received from affiliated companies	–	–	–	3.8	3.8	–
from payments received from third parties	211.8	211.8	–	253.4	253.4	–
from taxes	20.2	20.2	–	15.3	15.3	–
from financial service providers	22.4	22.4	–	17.4	17.4	–
sundry	21.3	15.9	5.4	17.3	13.6	3.7
	275.7	**270.3**	**5.4**	**307.2**	**303.5**	**3.7**
	710.8	**488.2**	**222.6**	**767.4**	**493.3**	**274.1**

Bank loans were secured by mortgages to the value of € 6.4m (previous year: € 6.9m) due in more than one year and the assignment of trade receivables totalling € 2.8m (previous year: € 2.8m) due in less than one year. The carrying amounts of property, plant and equipment pledged as collateral came to € 16.0m (previous year: € 16.4m) and of trade receivables € 3.1m (previous year: € 3.1m). Failure to fulfil contractual obligations may result in the seizure of collateral.

Sundry other financial payables included finance leases to the sum of € 34.2m (previous year: € 33.9m). Further information on leases is provided under Note (G) (14).

The present value of future payments for finance leases was broken down as follows:

in €m	31.12.2023	Term to maturity up to 1 year	Term to maturity 1 to 5 years	Term to maturity more than 5 years	**31.12.2024**	**Term to maturity up to 1 year**	**Term to maturity 1 to 5 years**	**Term to maturity more than 5 years**
Minimum lease payments	34.8	8.8	22.7	3.3	36.2	10.0	23.1	3.1
Interest portion	-0.9	-0.4	-0.5	–	-2.0	-0.9	-1.1	–
Present value of finance lease	**33.9**	**8.4**	**22.2**	**3.3**	**34.2**	**9.1**	**22.0**	**3.1**

The derivatives included in sundry other financial liabilities are explained more fully in Note (G) (12).

Furthermore, sundry other financial liabilities in particular comprised Group obligations for outstanding supplier invoices and liabilities to employees for holiday entitlements and overtime.

Other liabilities included payments received of € 49.1m (previous year: € 22.0m) for customer-specific production.

The increase in prepayments received by the Group for the year under review is mainly due to the increased receipt of incoming payments.

(12) Derivatives

The effects of hedges on the Group’s net assets, financial position and results of operations are listed in the following table.

The **nominal amount** of derivatives signifies a calculated reference amount from which payments are deduced. The risk therefore lies not in the nominal amount but in changes in the related exchange and interest rates.

The **marktet value** corresponds to the gains and losses derived from a fictitious offsetting of derivatives on the balance sheet date calculated using standardised measurement procedures.

in €m	2023	**2024**
Forward contracts		
Nominal amount	85.2	31.9
Term to maturity more than 1 year	4.4	–
Market value of other financial receivables/payables	0.1	-0.8
Fair value of change in underlying transactions	-0.1	0.8
Fair value of change in hedging transactions	0.1	-0.8
Hedging ratio	100%	100%
Currency options		
Nominal amount	20.6	–
Hedging ratio	100%	0%
Interest rate swaps		
Nominal amount	–	240.0
Term to maturity more than 1 year	–	240.0
Market value of other financial receivables/payables	–	-4.2
Fair value of change in underlying transactions	–	4.1
Fair value of change in hedging transactions	–	-4.2
Hedging ratio	–	100%

Forward contracts with a maturity of up to 8 months (previous year: up to 15 months), which were used to hedge the calculation rate of other foreign currency trade contracts, correlated with underlying transactions with the same maturity. The currencies hedged were primarily USD, JPY and GBP. The fair value of forward contracts qualifying as hedges with a nominal volume of € 31.9m (previous year: € 85.2m) amounts to € -0.8m (previous year: € 0.1m).

In the reporting year 2024, interest rate swaps with a term until 2027 were concluded. The term of the associated underlying transactions is identical. Due to the conclusion of these safety measures, the variable portion of the syndicated financing could be secured at a fixed value, so that the ECB's interest rate policy has no further influence on the syndicated financing of Koenig & Bauer AG. The fair value of the interest rate swaps qualifying as hedging transactions with a nominal value of € 240.0m is € -4.2m.

In the year under review, a change in value of € -4.3m (previous year: € -0.1m) was recognised in other comprehensive income. As the parameters (such as nominal amount, currency and expected payment date) of the hedged item and the hedge fully match, changes in the value of forward contracts are exactly balanced. The hedging ratio stands at 100%. There was no ineffectiveness requiring recognition. The ineffectiveness of € -0.1m determined for the interest rate swaps was recorded in the interest result.

The average hedge rates for the major currency pairs as of 31 December 2024 are shown below.

in €m	2023	**2024**
Hedging rate		
Average EUR-USD-Forward exchange rate	1.0987	1.1153
Average EUR-JPY-Forward exchange rate	145.8250	159.8500
Average EUR-GBP-Forward exchange rate	0.8775	0.8354

The following table shows the changes in the cash flow hedge reserve within consolidated equity.

in €m	2023	**2024**
Status at 01.01.	**–**	**-0.1**
Changes recognised within other comprehensive income	-0.6	-6.3
Recycled from other comprehensive income to profit and loss	0.5	0.5
Deferred taxes	–	1.5
Status at 31.12.	**-0.1**	**-4.4**

(13) Further disclosures on financial instruments

in €m	31.12.2023 Carrying amount	Measurement: Amortised cost	Measurement: FVTPL Fair value through profit and loss	Measurement: FVOCI Fair value through OCI	Measurement: Fair value hedges	31.12.2023 Fair value
Assets						
Investments and other financial receivables						
interests in affiliates	6.8	–	–	6.8	–	–
lease receivables	0.3	0.3	–	–	–	0.3
other financial receivables from hedge accounting	0.7	–	–	–	0.7[2]	0.7
sundry other financial receivables	58.7	58.7	–	–	–	58.7
	66.5	**59.0**	**–**	**6.8**	**0.7**	**59.7**
Trade receivables	105.2	105.2	–	–	–	105.2
Gross amounts due from customers for contract work	51.0	51.0	–	–	–	51.0
Securities	3.9	–	3.9[1]	–	–	3.9
Cash and cash equivalents	96.4	96.4	–	–	–	96.4
	323.0	**311.6**	**3.9**	**6.8**	**0.7**	**316.2**
Liabilities						
Bank loans and other financial payables						
bank loans	244.0	244.0	–	–	–	244.0
lease liabilities	33.9	33.9	–	–	–	33.9
other financial payables from hedge accounting	0.6	–	–	–	0.6[2]	0.6
sundry other financial payables	77.3	77.3	–	–	–	77.3
	355.8	**355.2**	**–**	**–**	**0.6**	**355.8**
Trade payables	79.3	79.3	–	–	–	79.3
	435.1	**434.5**	**–**	**–**	**0.6**	**435.1**

[1] level 1 of fair-value-hierarchy
[2] level 2 of fair-value hierarchy

in €m	31.12.2024 Carrying amount	Measurement: Amortised cost	Measurement: FVTPL Fair value through profit and loss	Measurement: FVOCI Fair value through OCI	Measurement: Fair value hedges	31.12.2024 Fair value
Assets						
Investments and other financial receivables						
interests in affiliates	6.9	–	–	6.9	–	–
lease receivables	0.2	0.2	–	–	–	0.2
sundry other financial receivables	67.8	67.8	–	–	–	67.8
	74.9	**68.0**	**–**	**6.9**	**–**	**68.0**
Trade receivables	102.5	102.5	–	–	–	102.5
Gross amounts due from customers for contract work	39.6	39.6	–	–	–	39.6
Securities	4.0	–	4.0[1]	–	–	4.0
Cash and cash equivalents	133.7	133.7	–	–	–	133.7
	354.7	**343.8**	**4.0**	**6.9**	**–**	**347.8**
Liabilities						
Bank loans and other financial payables						
bank loans	261.8	261.8	–	–	–	261.8
lease liabilities	34.2	34.2	–	–	–	34.2
other financial payables from hedge accounting	5.0	–	–	–	5.0[2]	5.0
sundry other financial payables	87.0	87.0	–	–	–	87.0
	388.0	**383.0**	**–**	**–**	**5.0**	**388.0**
Trade payables	72.2	72.2	–	–	–	72.2
	460.2	**455.2**	**–**	**–**	**5.0**	**460.2**

For **interests in affiliates** no prices were quoted in an active market. A fair value is not determined because the non-consolidated subsidiaries are of minor importance to the Group.

The fair value of **other financial receivables/payables from derivatives** was the market value. This is calculated from forward exchange transactions based on forward exchange rates, for interest rate swaps the expected future cash flows are discounted using current market interest rates.

The figures disclosed for **securities, cash and cash equivalents** were the quoted market prices.

Lease liabilities refer to payment obligations discounted at the market interest rate.

The fair values of **loans** and **sundry other financial receivables/payables** were basically the carrying amounts recognised at amortised cost.

The financial instruments are not offset, as the offsetting requirements of IAS 32 are not satisfied. Furthermore, there are no contingent netting agreements (e.g. in the event of insolvency).

The maximum **credit risk** relating to financial assets corresponded to the carrying amounts, with no perceptible risks relating to financial assets that were neither value-adjusted nor overdue.

The **liquidity risk** is derived from cash flows comprising contractual payments of interest and capital on bank loans. Interest-bearing debts and payables from leases will result in a liquidity outflow of € 55.7m (previous year: € 76.0m) within the next twelve months, € 99.1m (previous year: € 100.2m) in one to three years and € 182.7m (previous year: € 141.0m) in more than three years from now. Forward exchange transactions with negative market values will result in liquidity outflows of € 25.8m next year (previous year: € 46.8m) and liquidity inflows of € 25.0m (previous year: € 46.3m). A further € 0.5m in liquidity outflows are expected from the interest rate swaps concluded until 2027. Additional liquidity will be required for sundry other financial payables, other financial payables and financial guarantees.

Interest, exchange and credit risks relating to financial assets and liabilities at the balance sheet date are indicated in the following chart showing the associated net gains and losses.

.

			from subsequent measurement			
in €m	**Net gain/loss**	from interest	due to impairment	currency impact	from disposal	Other
2023						
Equity instruments at fair value through other comprehensive income	**0.1**	–	–	–	–	0.1
Debt instruments at fair value through profit and loss	**0.6**	–	–	0.1	–	0.5
Derivatives in hedge accounting	**-0.1**	–	–	-0.1	–	–
Financial assets at amortised cost	**1.2**	-0.3	–	3.0	-1.5	–
Gross amounts due from customers for contract work at amortised cost	**0.4**	–	0.7	–	-0.3	–
Financial liabilities at amortised cost	**-16.8**	-12.7	–	-4.1	–	–
	-14.6	**-13.0**	**0.7**	**-1.1**	**-1.8**	**0.6**
2024						
Equity instruments at fair value through other comprehensive income	**0.1**	–	–	–	–	0.1
Debt instruments at fair value through profit and loss	**0.3**	–	–	–	–	0.3
Derivatives in hedge accounting	**0.6**	-0.1	–	0.7	–	–
Financial assets at amortised cost	**-0.1**	1.3	0.8	1.7	-3.9	–
Gross amounts due from customers for contract work at amortised cost	**–**	–	–	–	–	–
Financial liabilities at amortised cost	**-23.7**	-22.0	–	-1.7	–	–
	-22.8	**-20.8**	**0.8**	**0.7**	**-3.9**	**0.4**

The credit risk for trade receivables and contract assets is managed by recognising impairments in the amount of the expected credit losses over the term. The carrying amounts correspond with the maximum credit risk. In addition, there are secured trade receivables of € 0.1m (previous year: € 0.1m) that are not exposed to any credit risk, as they are covered by appropriate insurances.

in €m	Expected loss ratio	Carrying amount creditworthiness not impaired	Carrying amount creditworthiness impaired	31.12.2023
not overdue	0.0%	217.8	1.2	219.0
overdue by 1-30 days	0.0%	12.5	–	12.5
overdue by 31-90 days	0.0%	6.5	–	6.5
overdue by 91-180 days	0.0%	3.7	–	3.7
overdue by 181-360 days	2.3%	4.2	0.1	4.3
overdue by more than 360 days	75.0%	0.5	0.1	0.6
Group		**245.2**	**1.4**	**246.6**

in €m	Expected loss ratio	Carrying amount creditworthiness not impaired	Carrying amount creditworthiness impaired	31.12.2024
not overdue	0.0%	222.5	0.1	222.6
overdue by 1-30 days	0.0%	15.7	–	15.7
overdue by 31-90 days	0.0%	6.6	–	6.6
overdue by 91-180 days	0.0%	3.3	–	3.3
overdue by 181-360 days	0.0%	2.6	–	2.6
overdue by more than 360 days	75.0%	0.2	–	0.2
Group		**250.9**	**0.1**	**251.0**

The following table presents the impairments of trade receivables and contract assets. Impairments of € 2.4m (previous year: € 2.1m) have also been recognised in other financial assets.

Impairments

in €m	Creditworthiness not impaired	Creditworthiness impaired	31.12.2023	Creditworthiness not impaired	Creditworthiness impaired	31.12.2024
1 January	**3.6**	**9.2**	**12.8**	**1.7**	**8.2**	**9.9**
Utilisation	-1.9	-2.1	-4.0	-1.1	-1.0	-2.1
Reversal	–	-2.1	-2.1	–	-2.5	-2.5
Addition	–	3.2	3.2	–	1.2	1.2
31 December	**1.7**	**8.2**	**9.9**	**0.6**	**5.9**	**6.5**

Foreign currency risks were assessed using a sensitivity analysis based on the premise that key currencies for the Group fluctuate in value by +/– 5% relative to the Euro. On the balance sheet date the Group was exposed to a foreign currency risk amounting to € 23.1m, primarily relating to the “not measured at fair value” category. The effects of changes in currency exchange rates on equity and the net profit/loss are shown in the following table.

	Equity		Net profit/loss	
in €m	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**
Devaluation USD by 5%	2.1	0.9	0.9	-0.4
Revaluation USD by 5%	-2.1	-1.0	-0.8	-0.4
Devaluation CHF by 5%	0.8	0.7	0.8	0.7
Revaluation CHF by 5%	-1.0	-0.8	-1.0	-0.8

A sensitivity analysis was carried out to assess the **interest rate risk**. It is assumed that the interest rate changes by +/- 1%. The effects on equity and earnings are shown in the following table.

	Equity		Net profit/loss	
in €m	31.12.2023	**31.12.2024**	31.12.2023	**31.12.2024**
Interest rate change +1%	–	5.2	–	-0.1
Interest rate change -1%	–	-5.6	–	0.1

(14) Leases

Lease agreements with **Koenig & Bauer as lessee** relate mainly to the rental of land, business premises and warehouses along with the lease of production facilities and vehicles.

The term of the rental agreements for real estate is 5 to 10 years, usually with the option of extending the agreement at the end of the term. The rental instalments are either regularly adjusted on the basis of price indices or renegotiated in the event of a contract extension. Lease agreements for vehicles are generally concluded for a term of 3 years.

Right-of-use assets in connection with lease agreements are reported in intangible assets and property, plant and equipment under Note (F) as follows.

in €m	**Carrying amount 01.01.**	Additions	Annual depreciation	Other	**Carrying amount 31.12.**
2023					
Intangible assets					
Industrial property rights and similar rights	0.1	–	0.1	–	–
	0.1	**–**	**0.1**	**–**	**–**
Property, plant and equipment					
Land and buildings	13.9	8.2	4.7	-0.0	17.4
Plant and machinery	0.3	–	0.1	0.0	0.2
Other facilities, factory and office equipment	3.9	3.3	2.7	0.2	4.7
	18.1	**11.5**	**7.5**	**0.2**	**22.3**
	18.2	**11.5**	**7.6**	**0.2**	**22.3**
2024					
Intangible assets					
Industrial property rights and similar rights	–	0.1	–	–	0.1
	–	**0.1**	**–**	**–**	**0.1**
Property, plant and equipment					
Land and buildings	17.4	3.7	4.7	–	16.4
Plant and machinery	0.2	–	0.1	-0.1	–
Other facilities, factory and office equipment	4.7	5.6	3.2	0.2	7.3
	22.3	**9.3**	**8.0**	**0.1**	**23.7**
	22.3	**9.4**	**8.0**	**0.1**	**23.8**

The carrying amount of land and buildings includes a right of use asset of € 1.2m under a sale and leaseback transaction with a lease term of 10 years and two extension options for 5 years each at the same conditions as well as a special right of termination after 5 years. The options can only be exercised by Koenig & Bauer. The Group does not currently expect to exercise the options. Koenig & Bauer estimates that the exercise of all uncertain options would result in an additional lease liability of € 27.1m (previous year: € 27.1m) for the Group. If the special termination right is exercised, the leasing liabilities will be reduced by € 1.3m.

A finance lease of a flexible packaging machine is recognised as receivables from finance leases of € 0.2m with **Koenig & Bauer as a lessor** (see also (G)(2)).

The amounts recognised in the income statement for leases are summarised in the following table.

in €m	
2023	
Depreciation and amortization	7.6
Interest expenses	0.4
Short-term leases	0.6
Leases for low-value assets	1.6
2024	
Depreciation and amortization	8.0
Interest expenses	0.9
Short-term leases	0.7
Leases for low-value assets	1.0

Further details on leases are given in Note (G) (2), (G) (11) and (I).

(15) Other financial obligations and contingent liabilities

Other financial obligations

		Term to maturity				**Term to maturity**		
in €m	**31.12.2023**	up to 1 year	1 to 5 years	more than 5 years	**31.12.2024**	**up to 1 year**	**1 to 5 years**	**more than 5 years**
Obligations from:								
off-balance leases	**4.4**	1.5	2.6	0.3	**2.4**	1.5	0.8	0.1
service contracts	**45.0**	14.2	28.6	2.2	**35.5**	9.0	26.3	0.2
investment plans	**2.8**	2.8	–	–	**1.5**	1.5	–	–
long-term purchase commitments to suppliers	**5.4**	5.2	0.2	–	**17.1**	6.7	10.4	–
sundry other obligations	**0.4**	0.4	–	–	**0.4**	0.4	–	–
	58.0	**24.1**	**31.4**	**2.5**	**56.9**	**19.1**	**37.5**	**0.3**

Other financial obligations for leases mainly comprise low-value assets and relate primarily to the IT area. There are renewal options at standard market conditions. Obligations from leases are stated at the minimum lease payments. In the year under review, other financial liabilities for leases includes a lease for land and buildings and a residual value guarantee.

Investment plans include obligations to invest in property, plant and equipment to the value of € 1.1m (previous year: € 2.8m).

Uncertainties regarding the interpretation of the global minimum tax regulations abroad may result in a future tax payment of € 1.3m. Due to the low probability of occurrence, no current income tax liability was recognized.

Contingent liabilites

These comprise contingencies totalling € 7.9m (previous year: € 6.6m) from financial guarantees, primarily relating to repurchase obligations to lessors and banks. The guaranteed repurchase price decreased over the term of the repurchase obligation.

Provisions totalling € 2.3m were created in the previous year for existing risks that were not classified as minor.

(H) Explanatory notes to the income statement

(16) Revenue

The Group primarily generated revenue from contracts with customers. Revenue from the sale of presses came to € 862.1m (previous year: € 925.3m) and revenue from other deliveries and services € 412.3m (previous year: € 401.5m). The breakdown by product group is shown in Note (J).

In the year under review, revenue from customer-specific production of € 283.8m (previous year: € 280.6m) was recognised, cumulative revenue from orders not yet completed as of the balance sheet date amounted to € 542.5m (previous year: € 493.2m).

The prepayments received as of 1 January resulted in revenues of € 180.8m in the year under review (previous year: € 214.7m).

Further details can be found in Segment Information, Note (J).

(17) Expenses by function

Cost of sales

The **cost of sales** include government grants of € 0.2m (previous year: € 0.1m).

Manufacturing costs for customer-specific projects still in progress on the balance sheet date amounted to € 418.1m (previous year: € 373.5m).

Research and development costs

Research and development costs of € 54.5m were less than the previous year's figure of € 57.5m. This included research grants of € 2.3m (previous year: €0.0m).

Distribution costs and administrative expenses

Distribution costs increased over the previous year from € 158.1m to € 171.0m. **Administrative expenses** decreased from € 104.7m to € 104.0m. Administrative expenses include an advance of € 0.2m (previous year: € 0.2m) by the government of Lower Franconia for the vocational training school in Würzburg, research grants of € 0.2m (previous year: € 0.1m) and state subsidies (mainly energy) amounting to € 0.2m (previous year: € 0.0m).

(18) Expenses by nature

Material costs

in €m	2023	**2024**
Cost of raw materials, consumables, supplies and purchased goods	501.9	507.0
Cost of purchased services	137.5	114.0
	639.4	**621.0**

Personnel costs (in accordance with the nature of expense method)

in €m	2023	**2024**
Wages and salaries	384.1	409.0
Social security and other benefits	71.5	73.9
Pensions	6.1	6.6
	461.7	**489.5**
Average payroll:		
Wage-earning industrial staff	2,634	2,575
Salaried office staff	2,688	2,697
Apprentices/students	317	383
	5,639	**5,655**

(19) Other income and expenses

in €m	2023	2024
Gains from the disposal of intangible assets, property, plant and equipment	0.1	4.1
Foreign currency gains	10.2	6.1
Currency measurement	2.0	1.8
Income from reversal of provisions	8.2	2.4
Sundry other operating income	4.4	5.0
Other operating income	**24.9**	**19.4**
Losses from the disposal of intangible assets, property, plant and equipment	-0.6	-5.2
Foreign currency losses	-9.1	-6.0
Currency measurement	-7.0	-1.5
Bad debts	-1.8	-3.5
Additions to provisions	-2.1	-1.2
Sundry other operating expenses	-5.2	-6.3
Other operating expenses	**-25.8**	**-23.7**
Impairment gains and losses on financial assets	**3.0**	**3.3**
Other income and expenses	**2.1**	**-1.0**

Sundry other operating income included insurance and compensation claims and other refunds.

Sundry other operating expenses included customer credit notes and warranty claims.

Impairment gains and losses on financial assets primarily related to trade receivables and contract assets.

(20) Financial result

in €m	2023	2024
Other financial results		
Income from interests in affiliates	1.0	1.3
Expenses from shares in associated companies	-0.9	-1.2
Expenses from interests in associates	0.1	–
Expenses/Income from securities	0.4	0.3
	0.6	**0.4**
Interest result		
Other interest and similar income	2.3	4.9
of which affiliates	(0.9)	(1.5)
Other interest and similar expenses	-19.2	-29.0
from pension obligations	(-2.9)	(-3.0)
	-16.9	**-24.1**
Financial result	**-16.3**	**-23.7**

(21) Income taxes

in €m	2023	2024
Actual tax expenses	-8.7	-9.5
Deferred taxes from loss carryforwards	-6.4	-0.8
Deferred taxes from temporary differences	2.9	-2.5
Prior-period income taxes	2.0	2.2
	-10.2	**-10.6**

in €m	2023	2024
Earnings before taxes	**13.0**	**-59.2**
Group tax rate	30.0 %	30.0 %
Expected taxes	**-3.9**	**17.8**
Tax effects from		
variances due to different tax rates	-2.9	2.7
tax-free earnings	0.9	2.1
impairment gains/losses	-3.3	-28.8
tax additions and settlements	-3.4	-7.1
tax payments/refunds for prior years	2.0	3.5
Other	0.4	-0.8
Income tax	**-10.2**	**-10.6**

The approach of previously unrecognised tax losses and temporary differences relating to subsidiaries led to deferred tax income of € 0.4m (previous year: € 3.3m). Their use reduced the actual tax expense by € 0.5m (previous year: € 2.1m).

(22) Earnings per share

Mio.	2023	**2024**
Net profit attributable to owners of the Parent in €m	2.6	-70.1
Weighted average of ordinary shares issued	16,524,783	16,524,783
Earnings per share (in €, basic/dilutive)	**0.16**	**-4.24**

(I) Explanatory notes to the cash flow statement

The cash flow statement as per IAS 7 shows how Group funds changed as a result of cash in- and outflows from operating, investing and financing activities.

Cash flows from operating activities were adjusted for currency translation effects. Funds totalling € 133.7m (previous year: € 96.4m) included cash and cash equivalents.

Total payments for leases amount to € 12.1m (previous year: € 10.5m). Interest paid for leases is included in the payments for lease liabilities. Cash in- and outflows generated by reverse factoring transactions through an agreed contract with financial service providers are recognised under payments received from financial service providers and payments made to financial service providers. The liabilities accounted for under this agreement amount to € 17.4m (previous year: € 22.4m) and are shown under other liabilities. Under this agreement, payment terms are extended to up to 60 days. The payment terms range from 8 to 60 days. The changes in cash flows from financing activities are shown in the following table.

	2023				**2024**			
in €m	Bank loans	Liabilities to financial service providers	Lease liabilities	Equity	**Bank loans**	**Liabilities to financial service providers**	**Lease liabilities**	**Equity**
Balance as at 1 January	**195.9**	**–**	**29.4**	**422.8**	**244.0**	**22.3**	**33.9**	**410.0**
Proceeds from loans	63.3	–	–	–	45.0	–	–	–
Repayment of loans	-15.2	–	–	–	-27.2	–	–	–
Proceeds from financial service providers	–	69.2	–	–	–	127.0	–	–
Repayments to financial service providers	–	-46.9	–	–	–	-131.9	–	–
Payments for lease liabilities	–	–	-9.5	–	–	–	-10.4	–
New leases	–	–	12.8	–	–	–	10.0	–
Other changes	–	–	1.2	-12.8	–	–	0.7	-78.8
Balance as at 31 December	**244.0**	**22.3**	**33.9**	**410.0**	**261.8**	**17.4**	**34.2**	**331.2**

(J) Segment information

Business segments

In accordance with IFRS 8 segment information for the Group distinguishes between the business segments Sheetfed, Digital & Webfed and Special. The operating segments of the Koenig & Bauer Group are determined on the basis of the business activities of the legal entities. The operating segments and products are described below.

The **Sheetfed segment** includes sheetfed offset presses for packaging and commercial printing as well as workflow and logistics solutions. The portfolio also includes peripheral equipment for finishing and processing printed products such as rotary/flatbed die cutters and folding-box gluing lines.

Digital and offset web-fed presses for decor, flexible packaging, newspaper and commercial printing are assigned to the **Digital & Webfed segment**. It also includes flexo presses for flexible packaging as well as presses for flexo and digital printing of corrugated board.

The **Special segment** is made up of special presses for banknote and security printing and systems for industrial marking and coding as well as special systems for direct metal decorating and glass and hollow container printing.

In determining the reportable segments, the following discretionary decisions were made:

- Sales companies are allocated to the segments in accordance with their activities
- Production companies are allocated to the segments in accordance with their activities
- Services are assigned to the respective segment
- Koenig & Bauer assumes that the operating segments have the same long-term earnings outlook

Segment information was based on the same accounting and consolidation procedures as the consolidated financial statements. Internal Group transactions contained in the segment result (adjusted earnings before interest and taxes (adjusted EBIT)) were classed as arm's length transactions.

Intersegment sales and other reconciliation effects between the business segments are contained in the reconciliation.

	Segments						Reconciliation		Group	
	Sheetfed		Digital & Webfed		Special					
in €m	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**
Revenue by product group										
Presses	608.3	551.0	90.3	87.1	239.2	236.3	-12.5	-12.3	925.3	862.1
Replacement parts	81.5	88.1	29.6	26.2	62.2	67.3	-2.0	-2.4	171.3	179.2
Service	81.4	90.3	40.5	38.0	91.1	90.3	-0.8	-0.9	212.2	217.7
Other	8.6	5.4	11.9	6.3	21.2	13.5	-23.7	-9.8	18.0	15.4
Revenue	**779.8**	**734.8**	**172.3**	**157.6**	**413.7**	**407.4**	**-39.0**	**-25.4**	**1,326.8**	**1,274.4**
Gross Profit	185.7	184.0	21.8	1.4	138.1	107.4	1.9	2.2	347.5	295.0
EBIT	29.8	17.1	-23.9	-53.3	23.0	-5.2	1.0	6.3	29.9	-35.1
adjusted EBIT	29.8	17.1	-23.9	-25.9	23.0	10.5	1.0	13.6	29.9	15.3
Depreciation	17.6	19.1	4.8	4.3	8.2	8.2	12.9	12.7	43.5	44.3
Major non-cash expenses	39.3	47.3	3.4	11.4	12.2	12.3	4.7	10.0	59.6	81.0
Capital investments	18.3	24.0	1.4	0.8	26.1	9.0	18.4	18.7	64.2	52.5

Geographical breakdown

The geographical regions were defined according to their significance for Group income.

Reconciliation related to non-current financial assets and deferred tax assets.

in €m	Revenue 2023	Revenue 2024	Capital investments 2023	Capital investments 2024	Non-current assets 2023	Non-current assets 2024
Germany	173.3	163.7	51.6	43.9	332.0	331.1
Rest of Europe	386.8	364.9	11.8	5.2	78.6	69.7
North America	300.1	367.1	0.1	2.7	0.8	3.1
China	126.1	86.1	0.2	0.3	0.6	0.3
Rest of Asia/Pacific	199.7	176.4	0.3	0.2	2.2	1.8
Africa/Latin America	140.8	116.2	0.2	0.2	0.3	0.2
Reconciliation	–	–	–	–	133.7	126.5
Group	**1,326.8**	**1,274.4**	**64.2**	**52.5**	**548.2**	**532.7**

Adjusted EBIT

Koenig & Bauer has been using adjusted EBIT to manage the segments since the 2024 financial year. To determine adjusted EBIT, EBIT, which is calculated as consolidated earnings less taxes on income and earnings and less interest income, is adjusted for defined items. The defined items are shown in the table below, in which adjusted EBIT is reconciled to EBIT.

Reconciliation adjusted EBIT

in €m	2023	2024
Adjusted EBIT	29.9	15.3
Restructuring expenses for personnel measures	–	-17.9
Other restructuring expenses	–	-3.5
Expenses for relocations as part of the Group's realignment	–	-14.2
Expenses for product portfolio adjustments	–	-14.8
EBIT	**29.9**	**-35.1**

(K) Notes to section 285 no. 17 HGB

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft has served as auditor for Koenig & Bauer AG since the 2020 financial year and will be replaced after the annual financial statements for 2029 at the latest. The German Public Auditor responsible for the engagement is Marco See.

The remuneration paid to the worldwide network of PwC and to PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft in 2024 came to € 1,234 thousand for auditing services, € 69 thousand for tax consulting and € 60 thousand for other services.

The fee for services provided by the worldwide network of PwC and by the PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft were primarily for the audit of the consolidated financial statements and the annual financial statements of Koenig & Bauer AG. Further audit services arose as part of the ESEF reporting.

The tax consultancy services mainly comprise consultancy services for tax issues in connection with value-added tax and within the framework of the Country-by-Country reporting.

Other services relate to consulting services in the framework of the Renewable Energy Sources Act and other consulting services.

(L) Exemptions in accordance with sections 264b HGB and 264 (3) HGB

The following consolidated subsidiaries applied the simplification options contained in section 264b respectively 264 (3) of the German Commercial Code (HGB) in 2024.

Company/location
Koenig & Bauer Industrial GmbH, Würzburg, Germany
Koenig & Bauer Sheetfed AG & Co. KG, Radebeul, Germany
Koenig & Bauer Digital & Webfed AG & Co. KG, Würzburg, Germany
Koenig & Bauer Banknote Solutions (DE) GmbH, Würzburg, Germany
Koenig & Bauer Gießerei GmbH, Würzburg, Germany
Koenig & Bauer (DE) GmbH, Radebeul, Germany
Koenig & Bauer Coding GmbH, Veitshöchheim, Germany
Koenig & Bauer Kammann GmbH, Löhne, Germany
Koenig & Bauer MetalPrint GmbH, Stuttgart, Germany

(M) Related party disclosures

Related parties as defined by IAS 24 are all consolidated subsidiaries, non-consolidated affiliates, associates, interests (see Note (G) (2)) and members of the management and supervisory boards.

Business transactions with related entities resulted essentially from deliveries to and services for our sales and service subsidiaries, which as intermediaries disclosed receivables and revenue of roughly the same amount from customers. The same conditions applied as for arm's length transactions. For terms to maturity see Notes (G) (2) and (G) (11).

In €m	2023	2024
Other current financial receivables as at 31.12.	**22.1**	**32.0**
from affiliates	1.6	3.6
from associates	20.5	28.4
Trade receivables as at 31.12.	**10.3**	**10.7**
from affiliates	6.5	4.4
from associates	3.8	6.3
Prepayments made for inventories as at 31.12.	**1.8**	**1.7**
to associates	1.8	1.7
Trade payables as at 31.12.	**1.5**	**1.8**
to affiliates	1.3	0.5
to associates	0.2	1.3
Revenue	**30.1**	**30.9**
from affiliates	27.9	25.4
from associates	2.2	5.5

Some members of the Supervisory Board also hold positions on the supervisory boards of other companies with which Koenig & Bauer has business relations. Transactions by the Koenig & Bauer Group with these companies are conducted on arm's length terms. They do not affect the independence of the members of the Supervisory Board concerned.

A consultancy agreement with annual remuneration of € 0.1m was entered into between Koenig & Bauer AG and a member of the Supervisory Board in the previous year.

Expenses for the Management Board totaled € 8.0m (previous year: € 4.5m). The short-term remuneration for the Management Board amounts to € 3.0m (previous year: € 3.9m). It consists of the fixed salary, fringe benefits (company car, insurance allowances, accommodation costs) and short-term variable remuneration. The short-term variable compensation is tied to the EBIT margin, net working capital and other non-financial targets such as ESG and strategy. Share-based remuneration stands at € 2.7m (previous year: € 0.1m). The target amount determined for the share-based payment is exchanged for shares or virtual shares at the discretion of the Management Board member. It is paid out or released after a blocking period of four years. An amount of € 0.5m (previous year: € 0.5m) for service cost was added to the retirement benefit provisions for the Management Board. The provisions for the multi-year variable remuneration stand at € 6.1m (previous year: € 5.0m) and for short-term variable remuneration at € 0.5m (previous year: € 1.2m), while share-based remuneration accounts for € 6.1m (previous year: € 5.0m). The information on provisions listed relates only to the active members of the Management Board as at the balance sheet date. As part of the Group's restructuring, Michael Ulverich resigned from the Management Board by mutual agreement on November 30, 2024. A severance payment of € 1.7m was made in the reporting year.

Koenig & Bauer AG has granted each member of the Management Board a defined-contribution insurance-linked pension commitment, for which Koenig & Bauer AG makes a contribution of € 0.2m for each year of service and for each member of the Management Board until the respective member leaves the Company.

Provisions of € 9.2m (previous year: € 8.7m) were set aside for retirement benefits for the Management Board in accordance with IAS 19. An amount of € 22.9m (previous year: € 23.1m) was set aside for former members of the Management Board and their surviving dependants.

Provisions of € 1.5m (previous year: € 1.4m) were recognised for remuneration for former members and their survivors. Supervisory board remuneration totalled € 0.9m (previous year: € 0.9m), of which € 0.9m (previous year: € 0.9m) was fixed.

The total remuneration of the Management Board under the German Commercial Code amounts to € 4.7m (previous year: € 5.5m), of which € 1.6m (previous year: € 1.6m) is the fair value at the grant date of the multi-year variable remuneration. It is converted into shares (virtual shares) on the basis of the share price on the day after the annual general meeting in 2025.

At 31 December 2024 members of the management board held 5.13% and members of the supervisory board 0.1% of Koenig & Bauer's share capital, giving a total of 5.23%.

Supervisory Board

Professor Raimund Klinkner
Chairman
Self-employed business consultant and
Managing Partner
INSTITUTE FOR MANAGEMENT EXCELLENCE GmbH[2]
Gräfelfing, Germany

Gottfried Weippert[1]
Deputy Chairman
Chairman of the Würzburg Works
Council, Chairman oft he General Works Council /
Chairman of the Group Works Council of
Koenig & Bauer AG (released)
Eibelstadt, Germany

Dagmar Rehm
Deputy Chairman
Self-employed business consultant
Langen, Germany

Claus Bolza-Schünemann
Technical consultant
Lübeck, Germany

Julia Cuntz[1]
Trade union secretary of IG Metall
Berlin, Germany

Carsten Dentler
Managing Partner
Palladio Infrastruktur GmbH
Bad Homburg v. d. Höhe, Germany

Marc Dotterweich[1]
Deputy Works Council Chairman
(released)
Birkenfeld, Germany

Christopher Kessler[1]
General Counsel Koenig & Bauer AG
Würzburg, Germany

Professor Gisela Lanza
Institute director at wbk Institute for Production
Technology for Production Systems at the Karlsruhe
Institut for Technologie (KIT)
Karlsruhe, Germany

Dr Johannes Liechtenstein
CFO Constantia Industries AG
Vienna, Austria

Simone Walter[1]
Head of Human Resources Management
Koenig & Bauer Coding GmbH
Arnstein, Germany

Sabine Witte Herdering[1]
Trade union secretary of IG Metall
Würzburg, Germany

[1] workforce representative

[2] The INSTITUTE FOR MANAGEMENT EXCELLENCE GmbH is a holding company for the provision of consulting services. The position as managing partner does not entail operational management responsibility.

Committees

Mediation committee as per section 27(3) of German Codetermination Act
Professor Raimund Klinkner (chairman)
Julia Cuntz
Carsten Dentler
Gottfried Weippert

Personnel Committee
Professor Raimund Klinkner (chairman)
Dagmar Rehm
Gottfried Weippert

Financial Audit Committee
Dagmar Rehm (chairman)
Marc Dotterweich
Dr Johannes Liechtenstein
Gottfried Weippert

Strategy Committee
Professor Gisela Lanza (chairman)
Claus Bolza-Schünemann
Carsten Dentler
Christopher Kessler
Professor Raimund Klinkner
Simone Walter
Gottfried Weippert

Nomination Committee
Professor Raimund Klinkner (chairman)
Claus Bolza-Schünemann
Carsten Dentler

Committee appointments to 31 December 2024

Management Board

Dr Andreas Pleßke
President (since 1 January 2024) and CEO
Herrsching am Ammersee, Germany

Dr Stephen Kimmich
Deputy president (since 1 January 2024)
CFO
Executive vice-president
Special Segment (since 1 April 2024)
Munich, Germany

Christoph Müller
(until 31 March 2025)
Executive vice-president
Digital & Webfed segment
Würzburg, Germany

Ralf Sammeck
CDO
Executive vice-president
Sheetfed segment
Radebeul, Germany

Michael Ulverich
(until 30 November 2024)
COO
Würzburg, Germany

Other positions held by members of the Koenig & Bauer supervisory board

	Member of the supervisory board at:
Professor Raimund Klinkner Chairman	Elektrobau Mulfingen GmbH, Mulfingen, Germany REHAU Verwaltungszentrale AG / REHAU Automative und Windows Solutions, Muri near Bern, Switzerland
Dagmar Rehm Deputy chairman	O'Donovan Consulting AG, Bad Homburg, Germany (until 31 March 2024) Grammer AG, Amberg, Germany (listed company) Renewable Power Capital Ltd., London, UK Rail Capital Europe Investment SAS, St Quen, France Power2X B.V., Amsterdam, Netherlands (since 22 January 2024)
Claus Bolza-Schünemann	Erich Netzsch GmbH & Co Holding KG, Selb, Germany
Carsten Dentler	Scope SE & Co. KGaA, Berlin, Germany Scope Management SE, Berlin, Germany Bastei Lübbe AG, Cologne, Germany (listed company) Caeli Wind GmbH, Berlin, Germany (until 26 July 2024)
Christopher Kessler	PrintHouseService GmbH, Halle, Germany
Professor Gisela Lanza	ZF Friedrichshafen AG, Friedrichshafen, Germany Hager SE, Blieskastel, Germany Balluff GmbH, Neuhausen, Germany Alfred Kärcher SE & Co. KG, Winnenden, Germany
Dr Johannes Liechtenstein	FunderMax Holding AG, Wiener Neudorf, Austria* FunderMax GmbH AG, Sankt Veit an der Glan, Austria* Isovolta AG, Wiener Neudorf, Austria* Argentiera SRL, Donoratico, Italy JAF-Group AG, Stockerau, Austria* *group positions of Constantia Industries AG

Other information

A declaration of compliance was issued in accordance with section 161 of German Stock Corporation Act and made permanently accessible under http://www.koenig-bauer.com/en/investor-relations/corporate-governance/declaration-of-compliance/

(N) Profit allocation proposal

The annual financial statements of Koenig & Bauer AG have been prepared in accordance with German accounting rules.

With the Supervisory Board's approval, the shareholders will be asked to pass a resolution to carry forward Koenig & Bauer AG's unappropriated loss of € 61,690,300 to a new account.

(O) Events after the balance sheet date

In November 2024, the Management Board of Koenig & Bauer AG announced the introduction of a new segment structure, which will be introduced during the 2025 reporting year. The segments Sheetfed, Digital & Webfed and Special will be transferred to the new segments Paper & Packaging Sheetfed Systems (P&P) and Special & New Technologies (S&T).

In the future, all the previous activities of the Sheetfed segment will be consolidated within the new Paper & Packaging Sheetfed Systems segment. The activities of the Koenig & Bauer Durst joint venture will also be included in the new segment.The corrugated cardboard activities for the Chroma series bundled under the Celmacch joint venture, which were previously assigned to the Digital & Webfed segment, will be allocated to this new segment due to the close technological and customer overlap between folding carton and corrugated cardboard producers. This segment will be specialising in end-to-end solutions for the high-growth folding carton and corrugated cardboard box markets, addressing all aspects such as the preprint stage, printing with an integrated digital workflow and postpress processing.

The Special & New Technologies segment will consolidate the previous activities of the Special segment (banknote and security printing, systems for industrial marking and coding and special systems for metal and glass/hollow container direct printing), as well as the remaining activities of the former Digital & Webfed segment. This includes roll-based printing processes such as the “RotaJET” web-fed digital printing machines and the systems in cooperation with HP for pre-printing for corrugated board liners and letterpress, the CIFlexo rotary presses and the web offset. The new Special & New Technologies segment will also include the new independent business units Vision & Protection (inspection systems and protection technologies) and Kyana (formerly the Digital unit). Likewise, the partnership forged between Koenig & Bauer and PowerCo SE for the development of dry coating for battery cell production will be integrated in this segment. The former Digital & Webfed segment will continue to be reported separately in the financial statements for a certain period of time for reasons of transparent transition.

Christoph Müller, previously Member of the Board of Management of the Digital & Webfed segment, resigned from his position as a member of the Board of Management on March 10, 2025 with effect from March 31, 2025.

On March 20, 2025, it was announced that Dr Stephen Kimmich, Chief Financial Officer and Deputy Chairman of the Board, will succeed the current Chairman of the Board, Dr Andreas Pleßke, at the Annual General Meeting on 4 June 2025. He will retire as planned on December 31, 2025. Furthermore, the Supervisory Board has appointed Dr Alexander Blum as the new Chief Financial Officer for a three-year term, effective July 1, 2025.

Würzburg, 20 March 2025

Management Board

Dr Andreas Pleßke

Dr Stephen Kimmich

Christoph Müller

Ralf Sammeck

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, 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 combined management report includes a fair view 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.

Würburg, 20 March 2025

Management Board

Dr Andreas Pleßke

Dr Stephen Kimmich

Christoph Müller

Ralf Sammeck

The following copy of the auditor's report also includes a "Report on the audit of the electronic renderings of the Group financial statements and the Group management report prepared for disclosure purposes in accordance with § 317 Abs. 3a HGB" ("Separate report on ESEF conformity").

INDEPENDENT AUDITOR'S REPORT

To Koenig & Bauer AG, Würzburg

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Audit Opinions
We have audited the consolidated financial statements of Koenig & Bauer AG, Würzburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of Koenig & Bauer AG, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2024.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 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, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and

- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions
We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

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, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

❶ Accounting treatment of deferred taxes
❷ Allocation of revenue from the sale of machines under contracts with customers to correct periods
❸ Restructuring provisions

Our presentation of these key audit matters has been structured in each case as follows:

① Matter and issue
② Audit approach and findings
③ Reference to further information

Hereinafter we present the key audit matters:

❶ **Accounting treatment of deferred taxes**

① In the consolidated financial statements of Koenig & Bauer AG, EUR 95.3 million in deferred tax assets (28.7% of Group equity) and EUR 74.9 million in deferred tax liabilities (22.6% of Group equity) are reported after netting and adjustments. These items were recognized to the extent that the executive directors consider it probable that taxable profit will be available in the foreseeable future which will enable the deductible temporary differences and unused tax losses to be utilized. For this purpose, insofar as sufficient deferred tax liabilities are not available, future taxable profits are projected on the basis of the adopted business plan. Deferred taxes are calculated using future tax rates, to the extent they have already been enacted or the legislative process has largely been completed.

Of the Koenig & Bauer Group's total of EUR 95.3 million in deferred tax assets before adjustments and offsetting, EUR 38.1 million was attributable to loss carryforwards. No deferred tax assets were recognized in respect of deductible temporary differences and unused tax losses amounting in total to EUR 579.8 million since it is not probable that they will be utilized for tax purposes in the forecast period by means of offset against taxable profits. From our point of view, the accounting treatment of deferred taxes was of particular significance in the context of our audit, as it depends to a large extent on the estimates and assumptions made by the executive directors and is therefore subject to uncertainties.

② As part of our audit, we assessed, with the involvement of our internal specialists with appropriate skills and expertise, the internal processes and controls for recording tax matters as well as the methodology used for the determination, accounting treatment and measurement of deferred taxes, among other things. We also assessed the recoverability of the deferred tax assets relating to deductible temporary differences and unused tax losses on the basis of the Company's internal forecasts of its future earnings situation, and the appropriateness of the underlying estimates and assumptions. Based on our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the executive directors are substantiated and sufficiently documented.

③ The Company's disclosures relating to deferred taxes are contained in section (7) "Deferred taxes" and under "Accounting policies" in the notes to the consolidated financial statements.

❷ Allocation of revenue from the sale of machines under contracts with customers to correct periods

① In the Company's consolidated financial statements as of December 31, 2024 revenue amounting to EUR 1,274.4 million, of which EUR 862.1 million was recognized from the sale of machines under contracts with customers, is reported in the income statement. Koenig & Bauer AG recognizes revenues from the sale of machines under contracts with customers when if it satisfies its performance obligation by transferring the contractually agreed printing press to a customer. This generally occurs when the printing press is technically commissioned, which is the time at which control is transferred to the customer. Due to technical imponderables in the manufacturing process and the use of different contractual agreements in the various markets, assessing the technical commissioning and thus the timing for the recognition of revenue is subject to estimates and assumptions and thus the judgments of the executive directors.

For this reason and due to the complexity of the applicable accounting standard on revenue recognition, this matter was of particular significance in the context of our audit.

② In light of the fact that the complexity and the estimates and assumptions that have to be made give rise to an increased risk of accounting misstatements, our audit included assessing the Group's processes and controls for recognizing revenue from the sale of machines.

Our audit approach included assessing the design, implementation and effectiveness of the internal control system and the IT systems used with regard to order acceptance, invoicing and allocating revenue to the correct period. We also assessed the invoicing processes and whether revenue was recognized in the correct period by inspecting the corresponding orders, contracts, delivery documentation, commissioning reports and receipts of payments. In particular, by inspecting the customer contracts and commissioning reports, we assessed whether the estimates, assumptions and judgments made by the executive directors regarding the recognition and deferral of revenue are reasonable and appropriate.

We were able to satisfy ourselves that the systems, processes and controls in place are appropriate and that the estimates and assumptions made by the executive directors are sufficiently documented and the judgments thus sufficiently substantiated to serve as a basis for the proper recognition of revenue from the sale of machines.

③ The Company's disclosures relating to the recognition of revenue from the sale of machines are contained in section (16) "Revenue" and under "Accounting policies" in the notes to the consolidated financial statements.

❸ Restructuring provisions

① Koenig & Bauer AG has resolved to launch the "Spotlight" efficiency program to strengthen the Group's operating profitability. In the course of communicating the efficiency program, the Company announced, among other things, that it will implement measures to improve costs.

In order for a restructuring provision to be recognized, the general recognition criteria for provisions pursuant to IAS 37.14 must be satisfied, which are further specified for restructuring measures within the meaning of IAS 37.10 by the regulations in IAS 37.70 et seq.

If the provision is a provision for termination benefits, the requirements of IAS 19 apply. After the employee representative body was informed of this and the efficiency program was announced, a restructuring provision amounting to EUR 16.5 million was recognized in profit or loss in the consolidated financial statements for 2024. In our view, this matter was of particular significance for our audit, as the recognition of restructuring provisions is to a large extent based on estimates and assumptions made by the executive directors.

② As part of our audit, we assessed whether the individual recognition criteria were met and whether the measurement of the restructuring provision was appropriate. To that end, we obtained and evaluated relevant evidence from the executive directors of Koenig & Bauer AG. We satisfied ourselves that the matter and the estimates and assumptions made by the executive directors in connection with the recognition and measurement of a restructuring provision were sufficiently documented and substantiated. The valuation was within ranges considered by us to be reasonable.

③ The Company's disclosures on the restructuring provision are contained in section (10) "Other provisions" under "Accounting policies" in the notes to the consolidated financial statements.

Other Information
The executive directors are responsible for the other information.

The other information comprises

- the statement on corporate governance pursuant to § 289f HGB and § 315d HGB
- the separate non-financial group report pursuant to §§ 315b to 315c HGB
- the remuneration report pursuant to § 162 AktG [Aktiengesetz: German Stock Corporation Act] for which the supervisory board is also responsible
- all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

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

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

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report
The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 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 the executive directors are 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, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 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 group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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, actions taken to eliminate threats or safeguards applied.

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 Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file Koenig&Bauer_AG_KA+LB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 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 within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2024 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group 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 electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 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 § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents
The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents
Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, 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 work 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 electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements 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 to the audited group 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, in the version in force at the date of the consolidated financial statements, 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 group auditor by the annual general meeting on June 26, 2024. We were engaged by the supervisory board on November 29, 2024. We have been the group auditor of the Koenig & Bauer AG, Würzburg, without interruption since the financial year 2020.

We declare that the audit 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).

REFERENCE TO AN 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 group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

NOTE ON SUPPLEMENTARY AUDIT

We issue this auditor's report on the amended consolidated financial statements and the group management report as well as on the rendering of the consolidated financial statements and the group management report submitted for audit for the first time, contained in the file Koenig&Bauer_AG_KA+LB_ESEF-2024-12-31.zip and prepared for publication purposes on the basis of our audit, duly completed as at March 20, 2025, and our supplementary audit completed as at March 26, 2025, which related to the amendment of the disclosures in section "(O) Events after the balance sheet date" of the notes to the consolidated financial statements as well as the initial submission of the ESEF documents. We refer to the presentation of the amendment by the executive directors in the amended notes to the consolidated financial statements, section "(A) Preliminary remarks".

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Marco See.
Nuremberg, March 20, 2025/limited to the amendment of the notes to the consolidated financial statements as well as the first-time submission of the ESEF documents stated in the "Note on Supplementary Audit" section above:

Nuremberg, March 26, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Marco See	**Dr. Felix Canitz**
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Remuneration report

Detailed index

The remuneration report pursuant to section 162 of the German Stock Corporation Act describes the basic principles of the remuneration system for the members of the Executive Board and the Supervisory Board and explains the structure and amount of remuneration paid to them. It includes details of the remuneration of each current or former Executive Board member and the Supervisory Board that is granted, owed or earned from the company itself and from Group companies in the year under review.

The report complies with the requirements of section 162 of the German Stock Corporation Act and takes into account the recommendations of the German Corporate Governance Code as amended on 28 April 2022 ("2022 Code").

In this report, the relevant remuneration is included in the remuneration for the applicable year on the basis of the definitions of the terms "granted" and "owed" under the German Stock Corporation Act. Remuneration is deemed to have been granted if it was actually paid in the year under review (= "granted" within the meaning of the German Stock Corporation Act). Remuneration is owed if the underlying obligation is due for payment but has not yet been fulfilled (= "owed" within the meaning of the German Stock Corporation Act). Consequently, individual remuneration components are allocated to periods that differ from the financial years. Accordingly, the remuneration granted and owed in accordance with section 162 (1) of the German Stock Corporation Act in the year under review consists of the fixed remuneration components for 2024 and the short-term variable remuneration components (STI) for 2023. The remuneration earned in the year under review on the basis of the achievement of targets is also stated. This arises from the remuneration components for the year, notwithstanding the fact that the variable remuneration is not paid out or allocated until the following year.

Executive Board remuneration

1. Changes in the composition of the Executive Board

At its meeting on 7 December 2023, the Supervisory Board appointed Dr Andreas Pleßke as Chief Executive Officer and Dr Kimmich as Deputy Chief Executive Officer with effect from 1 January 2024. Michael Ulverich resigned from the Executive Board on 30 November 2024. As part of the strategic realignment of the Group and the planned transition to a new generation, Christoph Müller resigned on 10 March 2025 from his position on the Executive Board with effect from 31 March 2025. He will continue to assist Koenig & Bauer in an advisory capacity. As of 31 December 2024, the Executive Board comprises the following active members: Dr Andreas Pleßke, Dr Stephen Kimmich, Christoph Müller and Ralf Sammeck.

The service contracts were not modified in the year under review.

2. Remuneration system

The Executive Board remuneration system for the year under review was adopted by the Supervisory Board at its meeting on 22 March 2021 (2021 Executive Board remuneration system).

At the Annual General Meeting on 11 May 2021, this remuneration system (2021 Executive Board remuneration system) was approved by a majority of 69.54% of the capital represented. A description of the remuneration system can be found on the company's website at https://investors.koenig-bauer.com/de/corporate-governance/verguetung/

The remuneration report for 2023 was approved by a majority of 53.24% of the capital represented at the Annual General Meeting on 26 June 2024. As in previous years, the main criticism levelled at the previous remuneration system concerned the absence of separate performance targets within the long-term variable remuneration, the absence of any cap on the amount paid under the long-term variable remuneration components (LTI), the possibility of granting special benefits including special remuneration for extraordinary performance or success of the Executive Board members, the absence of any obligation to buy or hold shares in the company and insufficient transparency in the description of the remuneration system. The Supervisory Board therefore proposed a new remuneration system (2024 Executive Board remuneration system) for approval at the 2024 Annual General Meeting. The 2024 Executive Board remuneration system was adopted by the Supervisory Board at its meeting on 7 December 2023. The 2024 Executive Board remuneration system was approved at the Annual General Meeting on 26 June 2024 by a majority of 72.15% of the capital represented. All proxy advisors had recommended approving the 2024 remuneration system. No institutional investors opposed the motion. However, one main investor has criticised the increase in the cap on the maximum remuneration and requested a more consistent link with the financial indicators, net profit and cash flow. From the company's point of view, the remuneration system is to remain in force for several years, and the sole purpose of the higher cap is to permit a higher maximum remuneration in future years. The company believes that the remuneration has become stricter under the new system, particularly as a double cap has been introduced for the long-term variable remuneration in the form of a target achievement cap of 200% and a payout cap of 250%. Moreover, in addition to the share price, the LTI is measured annually on the basis of other targets that differ from the targets for short-term variable remuneration. The main criticism of a “guaranteed” LTI under the 2021 remuneration system was addressed with the introduction of a performance share plan. In addition, the fixed remuneration and the target amounts for variable remuneration have not been increased and will therefore remain at the 2021 level. The consistent alignment with key financial indicators arises from the specified individual target categories and, resulting from this, the targets specified for variable remuneration as well as a significant reduction in the discretion that may be applied in connection with the variable remuneration together with the introduction of a share ownership programme providing for share purchase obligations.

Targets		Implementation
Closer pay-for-performance alignment	→	• Abolition of special remuneration • Higher weighting of financial performance targets in the annual bonus and inclusion of performance targets in the long-term incentive
Alignment of the variable remuneration elements to Koenig & Bauer's sustainable and long-term development	→	• Restructuring of the long-term incentive as a performance share plan with a four-year performance period • Inclusion of ESG targets in both the annual bonus and the long-term incentive
Greater share orientation	→	• Introduction of share ownership guidelines (SOG)
Caps on Executive Board remuneration	→	• Introduction of a cap on the long-term incentive with a corresponding adjustment of the maximum remuneration

The company therefore considers the new remuneration system to be innovative and is pursuing the following objectives by revising the Executive Board remuneration system:

In the second half of the year, the company continued on the path that it had adopted in 2014 to transition from a unitary to a divisional group and positioned itself in 2025 with a new segment structure that is aligned even more closely to current and future customer needs and the relevant business model. As a result of the leaner structures, the number of segments has been reduced from three to two. This group restructuring is also accompanied by a gradual transition to a new generation on the Executive Board in 2024 and 2025. To ensure a continuous transition and the company's successful further development, it has stepped up succession planning for the Executive Board at an early stage. As part of this strategic planning, three of the four Executive Board members will be stepping down by 2026 at the latest, as their service contracts will not be renewed for age reasons. For this reason, no new service contracts were entered into in the year under review. Consequently, the 2021 remuneration system forms the basis for remuneration in the year under review.

Principles of the remuneration system applicable in the year under review

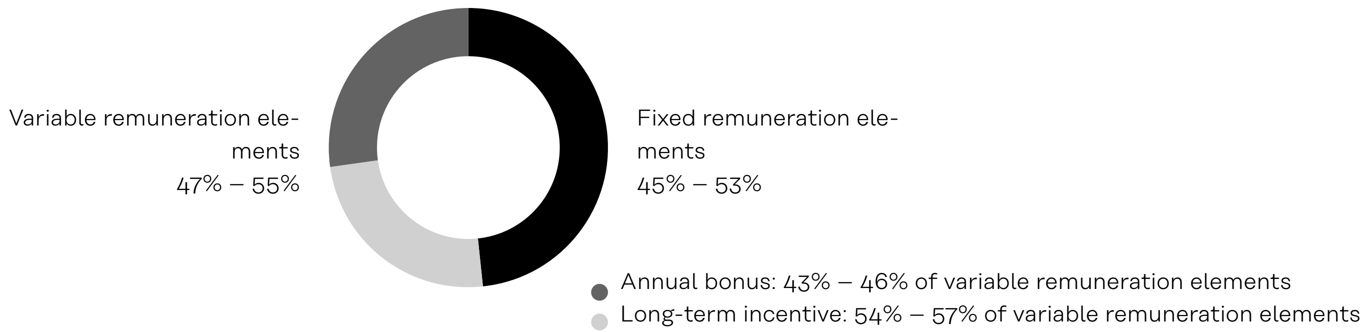
The Supervisory Board sets the specific target and maximum remuneration for each member of the Executive Board on the basis of the Executive Board remuneration system. In doing so, it attaches great importance to remunerating the Executive Board members appropriately. The criteria for this are the duties, personal performance and experience of the individual Executive Board members, as well as the company's economic situation, success and future prospects and the customary nature of the remuneration, taking into account the market environment (horizontal appropriateness) and the remuneration structure that otherwise applies in the company (vertical appropriateness). The companies listed in the MDAX and SDAX are used for the assessment of horizontal appropriateness. In doing so, the Supervisory Board is either guided by remuneration studies published by renowned institutions or a peer group composed of the MDAX or SDAX companies identified by the Supervisory Board, or asks an independent remuneration consultant to assess the remuneration system by reference to a peer group assembled in consultation with the Supervisory Board. In selecting the peer group, the Supervisory Board considers Koenig & Bauer AG's market position and key performance indicators such as revenue, employee numbers and market capitalisation. Since the remuneration systems of the companies listed in the MDAX and SDAX are not fully comparable, the horizontal comparison is primarily intended to achieve an approximate classification within the selected comparison group on the basis of the total remuneration actually granted or paid. To assess vertical appropriateness, the Supervisory Board considers the development of the Executive Board remuneration in relation to the remuneration of the company's senior management and the workforce in Germany. The Supervisory Board defines senior management as all executives who report directly to members of Koenig & Bauer AG's Executive Board. The remaining workforce is made up of employees subject to collective bargaining agreements as well as non-tariff employees of Koenig & Bauer AG. The Supervisory Board reserves the right to apply a Group-wide comparative view instead of one based on Koenig & Bauer AG. A decision has not yet been made on this matter. The 2021 Executive Board remuneration system ,as well as the 2024 Executive Board remuneration system, has four core components for the members of Koenig & Bauer AG's Executive Board: Fixed remuneration, short-term variable remuneration, long-term variable remuneration and pension entitlement.

It is based on the following principles:

Principles of Executive Board remuneration

- Closer pay-for-performance alignment through performance-based remuneration.
- Alignment of the variable remuneration elements and performance targets with the company's sustainable and long-term development
- Sustainability as an important element of the performance criteria in both short-term variable remuneration and long-term variable remuneration
- Appropriate link between the total remuneration of the Executive Board and the company's situation on the one hand, and the customary remuneration of a comparable peer group on the other
- Inclusion of the workforce remuneration and employment conditions of the workforce
- Provision of an attractive remuneration package to attract and retain the best candidates for management positions at the Koenig & Bauer Group

Fundamental remuneration structure



2024 Executive Board remuneration system

In response to the criticism set out above, the Supervisory Board reviewed the 2021 Executive Board remuneration system and identified potential improvements in order to take greater account of the company's long-term sustainable development. The significant changes to the 2024 Executive Board remuneration system are presented in the following table:

Remuneration system 2021				Remuneration system 2024	
Fixed remuneration and fringe benefits Defined contribution commitment		**Introduction of a pension payment**	→	Fixed remuneration and fringe benefits Defined contribution commitment /pension payment (for new appointments)	
Annual bonus (target bonus)	50% Group EBIT margin 50% individual goals Operational, strategy, ESG	**Adjustment of performance targets**	→	75% financial targets 50% EBIT or EBIT margin 25% working capital 25% non-financial targets ESG and strategy	Annual bonus (target bonus)
Long-term incentive (restricted stock plan)	Lock-up period: 4 years No performance targets Cap: 200% of the basic amount No payout cap	**New plan type** **Inclusion of performance targets**	→	Performance period: 4 years Performance targets: 37.5% EPS 37.5% net financial position 25% ESG Cap on target achievement: 200% Cap on payout: 250%	Long-term incentive (performance share plan)
Further components	Special remuneration	**Abolition of special remuneration** **Introduction of share ownership guidelines**	→	Share ownership guidelines	Further components

In the future, the basic remuneration structure will be as follows:

Fixed remuneration elements	
Fixed remuneration	Fixed annual salary, which is paid in 12 equal monthly instalments
Fringe benefits	Customary fringe benefits, including insurance, company car
Pension commitment/contributions	Pension payment for members of the Executive Board appointed on or after 1 January 2024
Variable remuneration elements	
Annual bonus	Plan type: target bonus Performance targets: 75% financial targets of which 50% EBIT or EBIT margin of which 25% net working capital 25% non-financial targets (ESG and strategy) Cap: 150% of target amount
Long-term incentive	Plan type: Performance share plan Performance period: four years Performance targets: 75% financial targets of which 37.5% EPS of which 37.5% net financial position 25% ESG Cap on target achievement: 200% Cap on payout: 250% of target amount
Further contractual components	
Share ownership guidelines	Obligation to buy and hold shares in Koenig & Bauer AG 100% of fixed annual salary
Negative bonus/clawback arrangements	Negative bonus/clawback arrangements for compliance Clawback for restatement
Maximum remuneration	€2.8m for the Chief Executive Officer €2.1m for ordinary members of the Executive Board
Cap on termination benefits	Limited to two years' remuneration including fringe benefits, maximum for the remaining term of the contract

Remuneration in 2024

Fixed remuneration elements

Non-performance-related remuneration consists of three components: fixed remuneration, fringe benefits and retirement benefits.

The provisions on the fixed remuneration elements of the 2021 Executive Board remuneration system also largely correspond to the 2024 Executive Board remuneration system, with the exception that the pension commitment under the 2024 remuneration system also offers the option of a pension payment of the same amount.

Fixed remuneration
The Executive Board members receive fixed remuneration of the same amount, with the exception of the Chief Executive Officer, whose fixed remuneration is 25% higher. The fixed annual basic remuneration provided for in the service contract is €480,000 for ordinary members of the Executive Board or €600,000 for the Chief Executive Officer. The fixed basic remuneration is paid in twelve equal monthly amounts.

The grant of a fixed basic salary encourages the autonomous, risk-adjusted and autonomous management of the company. The structure is intended to promote team-oriented decision-making by the Executive Board members.

In the year under review, various measures to reduce personnel and material costs were implemented under the Spotlight programme. For this reason, the Executive Board members voluntarily waived payment of 12.5% of their fixed monthly remuneration from October 2024 until further notice.

Fringe benefits
The company provides the Executive Board members with fringe benefits, which may be taxed as a non-cash benefit. These may include D&O (directors and officers) insurance; criminal liability defence insurance; the provision of a company car including for private use; care and maintenance of the vehicle; benefits for voluntary pension insurance as well as health, nursing and accident insurance (including disability and death insurance); the costs of annual medical examinations; rental allowances / one-time re-

location allowances; expenses and reimbursement of costs (such as travel expenses); reimbursement of expenses for home trips.

Pension commitments
During their service, the Executive Board members receive a pension commitment on the basis of a defined contribution scheme. The pension scheme is based on external pension liability insurance with annual allocations of €200,000.

In accordance with IAS 19, the present values of the retirement benefit obligations accruing to Dr Pleßke amounted to €1,206,479, Dr Kimmich €392,775, Mr Müller €3,562,898, Mr Sammeck €4,004,000 and Mr Ulverich €462,025 at the end of 2024. Service cost (amount added annually by the company through pension commitments, thus increasing the retirement benefit provisions) for 2024 stood at €108,463 for Dr Pleßke, €78,983 for Dr Kimmich, €84,800 for Mr Müller, €152,572 for Mr Sammeck and €97,983 for Mr Ulverich.

The 2024 remuneration system also provides for the option of a pension payment for new service contracts instead of a pension commitment. This option has so far not been utilised.

Variable remuneration elements

The variable remuneration elements comprise short-term variable remuneration and long-term variable remuneration, for which an annual target agreement applies.

Short-term variable remuneration (STI)
The Supervisory Board agrees with each Executive Board member on targets relevant for the respective financial year as a basis for the calculation of the annual bonus ("target agreement"). The target agreement specifies when the individual targets are deemed to have been 100% achieved and when the thresholds of 50% and 150% are reached. The annual target agreements are such that the Supervisory Board believes that they create an incentive to manage the company sustainably in accordance with the operating and strategic targets defined. In doing so, the Supervisory Board seeks to make a contribution to ensuring an attractive and sustainable return for its shareholders in the long term and to enabling them to participate in the company's success.

2021 Executive Board remuneration system - target alignment
The variable remuneration is structured as follows:

1. 50% is tied to the Group's business performance and

2. 50% to the achievement of individual targets in the performance of the Executive Board member's responsibilities (including any additional tasks assumed).

The individual targets are based on financial targets and particularly also those of a non-quantitative nature.

The targets tied to the company's success are aligned with the Group's central performance indicator, the EBIT margin, in order to ensure value-oriented corporate management. The EBIT margin resulting from the audited consolidated financial statements of the company approved by the Supervisory Board is decisive for this purpose. The EBIT margin is determined by calculating the ratio of the Group's earnings before interest and taxes (EBIT) to its total revenue.

An EBIT margin is determined for

- 100% target achievement • 50% target achievement
- 150% target achievement

Target achievement between the specified target achievement levels (50%; 100%, 150%) is interpolated on a straight-line basis. If the target is achieved by less than 50%, the annual bonus is cancelled and the annual remuneration tied to the company's long-term success is limited to the target base amount. If the maximum is reached, a further increase in the EBIT margin does not lead to any further increase in the annual bonus or in the base amount of the annual remuneration tied to the company's long-term success.

The individual goals are based on financial targets as well as non-financial targets, particularly those of a non-quantitative nature. As a rule, (i) an operating, (ii) a strategic and (iii) a non-financial target is agreed with the following weighting: 40:40:20. The aforementioned weightings should not be exceeded or undershot by more than 15 points in the absence of any objective justification.

The operating targets are based on the departmental duties of the Executive Board member or special tasks or projects managed by him. The strategic targets are aligned with the medium-term strategy adopted in consultation with the Supervisory Board. Group-wide and department-specific ESG (environmental-social-governance) factors are applied for the non-financial targets defined in each case.

All targets are underpinned by either KPIs or concrete plans of action that enable an objective assessment to be made of the extent of fulfilment.

Annual target agreement under the 2024 remuneration system
Payment of the annual bonus is tied to performance in the applicable year, as measured by financial and non-financial performance targets. The target amount is subject to individual agreement with each member of the Executive Board. Depending on the achievement of the performance targets set for a financial year, overall target achievement can be between 0% and 150%. Payment of the annual bonus is capped at a maximum of 150% of the target amount.

Amount of short-term variable remuneration (STI)
The annual bonus amounts to 60% of the gross fixed annual salary (“target bonus”) if the targets agreed with the Supervisory Board are 100% achieved and a maximum of 90% of the gross fixed annual salary (“maximum bonus”) if the targets agreed are 150% achieved.

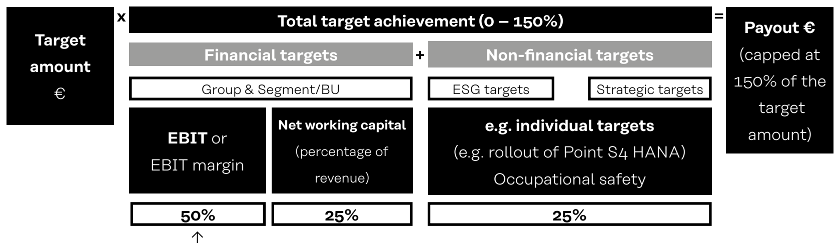
Short-term variable remuneration (STI), granted and owed in 2024 (STI 2023)
In the year under review, the short-term variable remuneration (one-year

2021 remuneration system (STI)	2024 remuneration system (STI)
Target bonus: 60% gross of the fixed annual salary, maximum 90% gross of the fixed annual salary	Target bonus: fixed amount in euros, individually agreed in the service contract (The amount in euros should equal 60% of the annual fixed salary under the 2021 remuneration system)
The variable remuneration is structured as follows: (1) 70% to 90% of financial targets - 50% the Group’s business performance: EBIT or EBIT margin - 20% operational target, e.g. EBIT or EBIT margin in segment or NWC - 20% strategic target, which can be either financial (e.g. P24) or non-financial (e.g. training strategy). (2) 10% non-financial targets ESG	The variable remuneration is structured as follows: (1) 75% financial targets - 50% EBIT or EBIT margin - 25% net working capital (2) 25% non-financial targets ESG and strategy
The payment is capped at 150% of the target amount, which corresponds to 90% of the fixed annual salary.	The payout is capped at 150% of the target amount.

STI under 2021 remuneration system

Individual targets	Determined by Supervisory Board
40% operational target	Tied to responsibilities
40% strategic target	x medium-term strategic targets
20% non-financial target	ESG factors

STI under 2024 remuneration system



In the case of members of the Executive Board with divisional responsibility, the achievement of the targets for financial performance criteria can be measured at 30% at the Group level and at 20% at the divisional level.

variable remuneration) was granted and owed for 2023. In the year under review, the short-term variable remuneration was deferred as a resolution approving it had not yet been passed by the Supervisory Board (hereinafter “remuneration earned”). Starting with the 2025 remuneration report, only the variable remuneration earned in a given year is to be disclosed.

The 2023 STI is still subject to the 2021 remuneration system.

Group target for 2023
In 2023, a minimum EBIT margin of 0.6% must be achieved with regard to the corporate target in order to receive payment equalling 50% of the target short-term variable remuneration. The budget approved by the Supervisory Board forms the target of 2.6% for 100% achievement. The short-term variable remuneration is also capped at 150% of the target (4.6%).

The Group’s EBIT margin came to 2.3% in 2023. The Group’s EBIT margin target for 2023 was thus achieved at a rate of 92.5%. Due to the 50% weighting of the Group target, the weighted target achievement of the Group target within the variable remuneration amounts to 46.3%.

Operating target for 2023
In 2023, the operating target was linked to the EBIT margin of the segment, division or business unit in question. The principles for setting targets corresponded to those for the corporate target, i.e. the budget approved by the Supervisory Board forms the target for 100% achievement. In addition, a minimum and a maximum target of 50% and 150%, respectively, was set. For Dr Pleßke, the EBIT margin for the Special segment was decisive. The target according to the budget was 7.5%, with a minimum or maximum cap for a deviation of -/+2 percentage points from the target. The EBIT margin for the Special segment was 5.6%, which corresponds to target achievement of 52.5% and weighted target achievement of 10.5% for Dr Pleßke. For Dr Kimmich, the net financial position as an average over the quarterly reporting dates in 2023 was decisive. The target budget was €-52.9m, with a minimum or maximum cap for a deviation of €-/+25m. The net financial position after deducting bank liabilities amounted to €-147.6 million, meaning that the operating target was not achieved. For Mr Müller, the EBIT margin for the D&W segment (incl. Flexotecnica) was decisive. The target according to the budget was -4.0%, with a minimum or maximum cap for a deviation of -/+2 percentage points from the target. The segment achieved an EBIT margin of -13.9%, meaning that the operating target was not achieved. For Mr Sammeck, the EBIT margin for the Sheetfed segment was the decisive operating target. The target according to the budget was 3.8%, with a minimum or maximum cap for a deviation of -/+2 percentage points from the target. The EBIT margin target for the Sheetfed segment of 3.8% was achieved, corresponding to 100% target achievement and weighted target achievement of 20%. For Mr Ulverich, the EBIT margin for the Production Business Unit was decisive. The target according to the budget was 2.3%, with a minimum or maximum cap for a deviation of -/+2 percentage points from the target. The EBIT margin target for the Production Business Unit was 2.1%, corresponding to 95% target achievement and weighted target achievement of 19%.

Strategic target for 2023
In the case of Dr Pleßke, Mr Müller, Mr Sammeck and Mr Ulverich, 50% of the strategic target was linked to the average net financial position in 2023. This is based on the average of the quarterly reporting dates in 2023. The target budget was €-52.9m, with a minimum or maximum cap for a deviation of €-/+25m. After deducting bank liabilities, the net financial position amounted to €-147.6 million, meaning that this part of the strategic objective was not achieved. In Dr Pleßke’s case, the remaining 50% of the strategic target was linked to an HR programme to secure the future of the key professions. This goal was assessed on the basis of the following criteria: investment in training, efforts to retain and attract skilled employees, and further education and training, each implemented in various initiatives and projects. Target achievement was 118%, equivalent to weighted achievement of the strategic target of 11.8%. In Mr Müller’s case, the remaining 50% was linked to a strategy to increase income from service business. This was accompanied by an action plan and indicators for evaluating target achievement. Target achievement was 120%. This corresponds to weighted achievement of the strategic target of 12%. In Mr Sammeck’s case, the remaining 50% of the strategic target was linked to the implementation of defined digital business models. This was linked with an action plan, including indicators for assessing the target achievement. Target achievement was 137.6%. This corresponds to weighted achievement of the strategic target of 13.8%. In Mr Ulverich’s case, the remaining 50% of the strategic target was tied to the implementation of the defined press platform concept, with a defined action plan and indicators for evaluating target achievement. Target achievement was 127.6%, which corresponds to weighted target achievement of the strategic target of 12.8%. In Dr Kimmich’s case, the strategic target was linked to the M&A process and

its mobilisation as documented in a proof of concept (milestone plan). Evidence of the proof of concept for the M&A process was provided. The strategic target for Dr Kimmich was 133.3%. This corresponds to weighted target achievement of 26.7%.

Non-financial (ESG) target for 2023

The ESG target aims to ensure that corporate social responsibility is emphasised to a greater extent. Responsibility for and commitment to social affairs, the environment and the community have a tradition of more than 200 years and this commitment is to be rendered more visible. The ESG targets are based on environment, social and governance targets. The environment target involved implementing the green energy policy, while the governance target entailed the implementation of the findings of the cyber security screening. The social cluster included various activities of the company in the field of equal opportunities: level playing field, anti-discrimination initiatives in the Group and the transparency of corporate social responsibility. All objectives were tracked on the basis of various measures and initiatives, with the Supervisory Board evaluating them in accordance with previously defined indicators. The evaluations showed target achievement of 120% for Dr Pleßke, corresponding to weighted target achievement of 12%, target achievement of 133.3% for Dr Kimmich, corresponding to weighted target achievement of 13.3%, target achievement of 125% for Mr Müller and Mr Sammeck, corresponding to weighted target achievement of 12.5%, and target achievement of 130% for Mr Ulverich, corresponding to weighted target achievement of 13%.

Overall target achievement in 2023

On the basis of the applicable weighting, this results in the following target achievement for variable remuneration for 2023, which was approved by the Supervisory Board at its meeting of 19 June 2024:

Executive Board member	Group target Weighting: 50% %	Operating target Weighting: 20% %	Strategic target Weighting: 20% %	ESG target Weighting: 10% %	Total target achievement %
Dr Andreas Pleßke	46.3	10.5	11.8	12	80.6
Dr Stephen Kimmich	46.3	0	26.7	13.3	86.3
Christoph Müller	46.3	0	12	12.5	70.8
Ralf Sammeck	46.3	20	13.8	12.5	92.6
Michael Ulverich (until 30 November 2024)	46.3	19	12.8	13	91.1

Target achievement in 2023 for STI

The target bonus for 100% target achievement corresponds to 60% gross of the fixed annual salary, but a maximum of 90% gross of the fixed annual salary for 150% target achievement. The target achievement multiple corresponds to the achievement of the target measured by the maximum possible target.

In accordance with this requirement, the following STI was granted and owed for 2023 in 2024 to the Executive Board members on the basis of its overall target achievement.

Executive Board member	Target 60% of the fixed remuneration at 100% (90% of the fixed remuneration at 150%) € thous.	Target deferred STI 2023 (€ thous.)	Target achievement multiple of 90% for 2023 %	STI 2023 granted and owed € thous.
Dr Andreas Pleßke	360 (540)	293	53.70%	290
Dr Stephen Kimmich	288 (432)	223	57.49%	248
Christoph Müller	288 (432)	194	47.17%	204
Ralf Sammeck	288 (432)	245	61.67%	266
Michael Ulverich (until 30 November 2024)	288 (432)	249	60.73%	262

Short-term variable remuneration (STI), earned in 2024 (STI 2024)

The short-term variable remuneration for 2024 resulting from the achievement of targets in 2024 is only deemed to have been earned in the year under review, as the variable remuneration is not paid out until after the end of the year.

The variable remuneration structure is based on the 2021 Executive Board remuneration system but is already closely aligned to the new 2024 Executive Board remuneration system for the purpose of setting targets. The targets for short-term variable remuneration and long-term variable remuneration are identical. The financial and strategic targets correspond to 90% of the overall targets, while the remaining 10% is based on non-financial targets.

Financial targets for 2024

90% of target achievement is measured by reference to financial performance targets, comprising a Group target, an operational target and a strategic target. Under the 2021 remuneration system, the Group target (EBIT Group target) is weighted at 50%, and the operational and strategic targets at 20% each. The Group and operational targets are derived solely and the strategic objectives largely from the budget for the year prepared by the Executive Board and approved by the Supervisory Board.

Group target

The Group's target is deemed to have been achieved when EBIT of €24,448.9k is recorded. If performance is between the points, target achievement is interpolated on a straight-line basis.

Group target	EBIT (EUR thous.)
50%	0
100%	24,448.9
150%	50,430.0

The Group target was not reached, as reported EBIT came to €-35,123.1k. This means that the Group target is 0%.

Operational targets		
Dr Andreas Pleßke	This target is measured on the basis of cost-cutting measures defined in the D&W 2.0 project plan, which must be completed by 31 December 2024 with binding agreements and be evident from the budget for 2025. This concerns the cost of materials, personnel expenses and administrative expenses. The target achievement is 100% if 85% of the measures are implemented, while at least 70% must be implemented. A target of 150% is achieved if all measures are included in the budget.	
Dr Stephen Kimmich	**Special segment EBIT**	
	50%	€26,441.2k
	100%	€35,070.3k
	150%	€43,699.4k
Christoph Müller	**D&W segment EBIT**	
	50%	€-14,783.60k
	100%	€-10,243.70
	150%	€-5,703.70k
Ralf Sammeck	**Sheetfed segment EBIT**	
	50%	€2,244.30k
	100%	€16,983.70k
	150%	€31,723.20k
Michael Ulverich (until 30 November 2024)	**Production BU EBIT**	
	50%	€-2,928.20k
	100%	€756.4k
	150%	€4,441.00k
	Effects due to changes in material and energy prices that exceed or fall below a defined corridor within the planning assumptions are excluded from BU EBIT. This is because the Production BU cannot pass on prices that are higher than those assumed in the budget to its intercompany customers through further price adjustments, while lower prices have a correspondingly favourable effect on the Production BU.	
	Corridor for planning assumptions	
	Planning assumptions	Corridor (no adjustment)
	Material: -1.25% annual average over the end of the previous year	+/-1%
	Electricity: 10 ct/kW working price (var. component) annual average	+/- 15%

Operational target

20% of the operational targets is achieved when specific financial targets are reached in the applicable segment or the Production Business Unit for which the individual Executive Board members are responsible.

In the case of Dr Pleßke, the target of reducing personnel expenses at the Würzburg site and lowering expenses recharged to the holding company, Koenig & Bauer AG, were included in the budget in full. The target of reducing the cost of materials budgeted for D&W was not yet fully included in the budget. In total, 80% of the targets set by reducing the corresponding budgets in the 2025 budget were visible in the budget adopted for 2025, and this corresponds to target achievement of 83.3% and weighted target achievement of 16.7%. As the EBIT achieved by the Special segment came to €-5,194.2k, Dr Kimmich did not achieve the minimum target. Similarly, Mr Müller did not achieve his target as the D&W segment recorded EBIT of €-53,342.5k. EBIT in the Sheetfed segment amounted to €17,094k, corresponding to target achievement of 100.4% and weighted target achievement of 20.1% for Mr. Sammeck. EBIT in the Production Business Unit amounted to €-2,028.7k. This corresponds to target achievement by Mr Ulverich of 117.3% or weighted target achievement of 23.5%.

Strategic target

The strategic objective entails the deleveraging of the Group and is measured by reference to net working capital (NWC) for 2024. This is the average over four quarters as a percentage of external revenue (NWC II). NWC II is calculated as a moving average over the twelve monthly figures in the respective year. NWC II includes inventories (including prepayments) and external trade receivables as well as income according to the percentage of completion (POC) less external trade payables, liabilities to financial service providers and prepayments received.

While Dr Pleßke is measured on the basis of Group NWC II, the other Executive Board members are measured on the basis of NWC II for the individual segments for which they are responsible. In the case of the NWC II target, there is also a range between 50% (achievement of the planned figure in 2024 plus 1.5 percentage points) and 150% (achievement of the planned value in 2024 minus 1.5 percentage points) with linear interpolation.

T

he individual targets are shown in the following table:

Strategic targets		
Executive Board	**Bandwidth +/-1.5% average over 4 quarters NWC II as a percentage of revenue**	
Dr Andreas Pleßke	50%	27.9
	100%	26.4
	150%	24.9
Dr Stephen Kimmich (Special segment)	50%	54.5
	100%	53
	150%	51.5
Christoph Müller (D&W segment)	50%	18
	100%	16.5
	150%	15
Ralf Sammeck (Sheetfed segment)	50%	13
	100%	11.5
	150%	10
Michael Ulverich (until 30 November 2024) (Production BU)	50%	19.4
	100%	17.9
	150%	16.4

Group NWC II is 27.6%, which corresponds to target achievement of 60%. The weighted target achievement for Dr Pleßke is therefore 12%. NWC II in the Special segment is 50.6%. This corresponds to target achievement of 150% and, thus, weighted target achievement of 30% for Dr Kimmich. Mr Müller did not achieve the minimum target, as NWC II in the D&W segment was 44%. NWC II in the Sheetfed segment is 13.1%. Accordingly, Mr Sammeck did not achieve the minimum target. Mr Ulverich is measured on the basis of NWC II in the Production Business Unit. This is 18.8%, which corresponds to target achievement of 70% and weighted target achievement of 14%.

2024 non-financial target

The non-financial target is assessed on the basis of ESG targets that are identical for all members of the Executive Board. The targets are presented in detail below.

40%	Reduction in Scope 1 carbon emissions by at least 2.5% over the previous year	100% for target achievement; 50% target achievement = 1.25% reduction over the previous year, 150% target achievement = 3.75% reduction over the previous year. In the case of any deviation, volume effects from under- or overutilisation are factored out.
40%	Reduction in Scope 2 carbon emissions of at least 2.5% over the previous year	100% for target achievement; 50% target achievement = 1.25% reduction over the previous year, 150% target achievement = 3.75% reduction over the previous year. In the case of any deviation, volume effects from under- or overutilisation are factored out.
20%	Reduction in Scope 3 carbon emissions of at least 1.5% over the previous year	100% for target achievement; 50% target achievement = 0.75% reduction over the previous year, 150% target achievement = 2.25% reduction over the previous year. In the case of any deviation, volume effects from under- or overutilisation are factored out.

Scope 1 carbon emissions relative to revenue were 3.9% lower in 2024 than in the previous year. The transition from natural gas to green district heating at one site was the main contributing factor here. This corresponds to target achievement of 150% and weighted target achievement of 6%. The target defined for the reduction of Scope 2 carbon emissions was not achieved because, contrary to expectations, a greater amount of district heating (produced from lignite dust and heating oil) was required at one location. Scope 3 carbon emissions dropped by 7.8%. The reasons for this include the delivery of presses to countries with a more advantageous energy mix and a significantly lower purchasing volume. This corresponds to target achievement of 150% and weighted target achievement of 3%. Together, this corresponds to weighted target achievement of 9%.

The following table summarises the achievement of the targets defined for the members of the Executive Board for 2024:

Overview of weighted target achievement in 2024

	Financial targets		Strategic target (20%)	Non-financial target (10%)			Total target achievement	STI target achievement multiple
Executive Board/ Segment	Group target (50%) as a percentage	Operational target (20%) as a percentage	%	4% %	4% %	2% %	%	%
Dr Andreas Pleßke	0	16.7	12	6	0	3	37.7	22.6
Dr Stephen Kimmich	0	0	30	6	0	3	39	23.4
Christoph Müller	0	0	0	6	0	3	9	5.4
Ralf Sammeck	0	20.1	0	6	0	3	29.1	17.4
Michael Ulverich (until 30 November 2024)	0	23.5	14	6	0	3	46.5	27.9

The following table sets out the remuneration earned under STI 2024 and compares it with the remuneration under STI 2023:

Executive Board member	Target achievement STI 2023 (%)	STI 2023 granted and owed (€ thous.)	Target achievement assumption STI 2024 (%)	Target deferred STI 2024 (€ thous.)
Dr Andreas Pleßke	53.7	290	22.6	136
Dr Stephen Kimmich	57.5	248	23.4	112
Christoph Müller	47.2	204	5.4	26
Ralf Sammeck	61.7	266	17.4	84
Michael Ulverich (until 30 November 2024)	60.7	262	27.9	134[1]

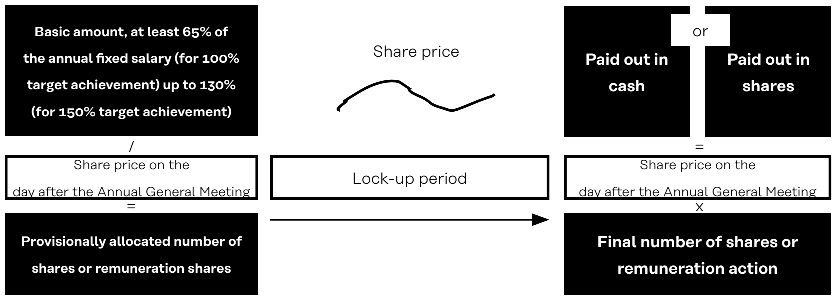
1 Composed of the regular bonus for the period up to 30 November 2024 and the bonus for December 2024 under the terms of the termination agreement

Remuneration tied to the company's long-term business performance

Remuneration system 2021

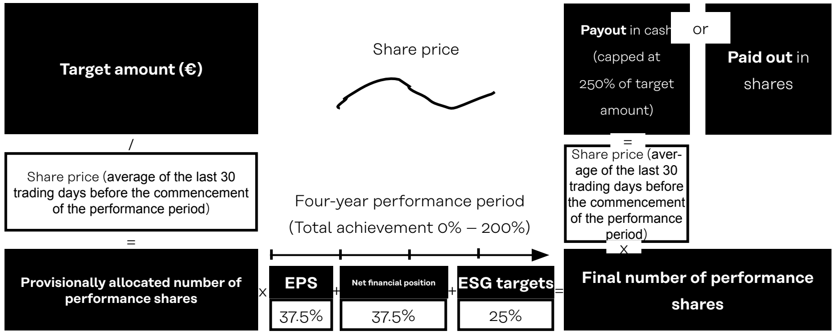
The remuneration of the Executive Board members includes an annual component that is tied to the company's long-term success. To this end, a base amount is invested annually on an actual or virtual basis in shares in the company, which are released after four years or settled depending on the share price. The remuneration component tied to the company's long-term success ensures that the remuneration incentives for Executive Board members to work towards the long-term development of the company are linked to the share price (share ownership).

The base amount of the annual remuneration tied to the company's long-term success is at least 65% gross of the fixed remuneration (target base amount), which may increase to up to 130% in the event of over-achievement (150% of target achievement). The target base amount is not tied to the achievement of certain objectives or other conditions. Remuneration beyond the target base amount is tied to the extent to which the targets set for the one-year variable remuneration are achieved. Targets are interpolated on a straight-line basis. The base amount is not determined until the day after the annual general meeting at which the shareholders pass a resolution to ratify the actions of the Executive Board member for the previous financial year ("exchange day"). At the discretion of the Executive Board member in question, the base amount is invested in shares in the company by an authorised bank and held in a restricted custody account or held as virtual shares in Koenig & Bauer AG in favour of the Executive Board member from that date ("remuneration shares"). After the expiry of a four-year vesting period, the Executive Board members may withdraw the compensation shares from the restricted account or have the corresponding amount (base amount plus any gains or losses in the share price) paid out.



Remuneration system 2024

The long-term incentive (LTI) is structured as a performance share plan that is linked to financial performance targets and ESG targets defined over a four-year period (performance period). A new LTI tranche is allocated annually. At the beginning of an LTI tranche, virtual shares (performance shares) are provisionally allocated to the members of the Executive Board. The final number of performance shares depends on overall achievement of the performance targets. Depending on the achievement of the individual performance targets defined for a given year, overall target achievement can be between 0% and 200%. The amount paid under the LTI is capped at a maximum of 250% of the target amount. The following diagram shows how the LTI works:



To determine the provisionally allocated number of performance shares, the target amount in euros contractually agreed for the LTI is divided by the reference price of Koenig & Bauer AG's shares at the beginning of the performance period of a tranche (allocation price). The allocation price is the average of the daily closing prices of Koenig & Bauer AG's shares (including all available places behind the decimal point) on Deutsche Börse's Xetra trading platform (or a successor system replacing the Xetra system) over the last 30 trading days before the day on which the performance period of a tranche commences. The number of provisionally allocated performance shares is rounded up to the nearest whole number.

Remuneration tied to the company's long-term performance for 2023

Remuneration tied to the company's long-term business performance that was granted and owed for 2023 was paid out in 2024. This is consistent with the 2021 remuneration system. Whereas the base amount, the minimum of 65%, is not tied to any targets, remuneration beyond the base amount depends on the extent to which the targets set for the one-year variable remuneration are achieved.

30% of the targets for LTI are linked to medium-term targets (strategic and ESG target). In particular, the P24x programme is a multi-year project. The same thing applies to the ESG targets. In particular, the amount of this remuneration is tied to the medium-term performance of the share price, which reflects the company's long-term business performance.

Reference should be made to the STI target achievement for 2023 for the overall target achievement in 2023 for remuneration tied to the company's long-term business performance.

Target achievement in 2023 for LTI

The target base amount for 100% target achievement corresponds to 65% gross of the fixed annual salary, but a maximum of 130% gross of the fixed annual salary for 150% target achievement.

In accordance with this requirement, the following STI is determined for 2023 for the Executive Board members on the basis of its overall target achievement:

Executive Board member	Target 65% of the fixed remuneration at 100% (130% of the fixed remuneration at 150%)	Target amount of deferred LTI 2023 (€ thous.)	Target achievement multiple of 130% for 2023 (%)	LTI for 2023 € thous.
Dr Andreas Pleßke	390 (780)	390	50	390
Dr Stephen Kimmich	312 (624)	312	50	312
Christoph Müller	312 (624)	312	50	312
Ralf Sammeck	312 (624)	312	50	312
Michael Ulverich (until 30 November 2024)	312 (624)	312	50	312

(Virtual) investment in shares in the company

At the discretion of the member of the Executive Board, the basic amount of the annual remuneration tied to the long-term success of the company is invested in shares in the company by an authorised bank and held in a restricted custody account or held as virtual shares in Koenig & Bauer AG in favour of the member of the Executive Board from that date (“remuneration shares”). The (virtual) shares are subject to a lock-up period of four years. During the lock-up period, the Executive Board member may not sell the shares and/or transfer them in any form whatsoever. The basic amount plus any gains or losses in the share price loss is paid after the expiry of the blocking period. This results in the following situation on the exchange day:

Executive Board member	LTI 2023 (€ thous.)	Share price on exchange day (€)	Remuneration shares 2023	Remuneration shares in locked-up account	Total remuneration shares in locked-up account
Dr Andreas Pleßke	390	13.36	29,191.62	66,421.87	95,613.49
Dr Stephen Kimmich	312	13.36	23,353.29	60,151.81	83,505.10
Christoph Müller	312	13.36	23,353.29	38,988.84	62,342.13
Ralf Sammeck	312	13.36	23,353.29	53,137.49	76,490.78
Michael Ulverich (until 30 November 2024)	312	13.36	23,353.29	61,414.64	84,767.93

The shares have been pledged in the form of virtual remuneration shares. The virtual shares are subject to a lock-up period of four years from the exchange date. The exchange rate was €13.36 on the exchange date (Annual General Meeting held on 26 June 2024) (closing price of 27 June 2024, XETRA). Accordingly, a total of €1.638m or 122,605 virtual shares were invested in 2024.

Remuneration tied to long-term business performance earned for the year under review

There were no changes to the service contracts in 2024. This means that the target basic amount is calculated on the basis of the extent of target achievement, as is the case with the STI, and amounts to 65% of the fixed annual salary. This corresponds to the target amount under the 2024 remuneration system. The target basic amount will track the share price after conversion into shares or virtual performance shares.

The expected payout amounts for remuneration tied to the company’s long-term performance were determined at the meeting of the Supervisory Board’s Personnel Committee on 20 January 2025. Of the maximum achievable amount of 130% of the fixed annual salary, 65% was deferred. There is no increase beyond the target base amount due to the assumed target achievement in 2024.

The following table sets out the remuneration earned under LTI 2024 and compares it with the remuneration under LTI 2023:

Executive Board member	Target achievement LTI 2023 as a percentage of the fixed annual salary	LTI 2023 € thous.	Assumed target LTI amount 2024 percentage of fixed annual salary	Assumed target LTI amount 2024 € thous.
Dr Andreas Pleßke	65	390	65	390
Dr Stephen Kimmich	65	312	65	312
Christoph Müller	65	312	65	312
Ralf Sammeck	65	312	65	312
Michael Ulverich (until 30 November 2024)	65	312	65	312[1]

1 Composed of the regular bonus for the period up to 30 November 2024 and the bonus for December 2024 under the terms of the termination agreement

Remuneration granted and owed

The following table sets out the remuneration of the Executive Board members granted and owed in accordance with Section 162 (1) of the German Stock Corporation Act in 2024. The remuneration components accruing to the Executive Board members in 2024 are deemed to have been granted and owed. These are the fixed remuneration components for 2024 and the short-term variable remuneration (STI) for 2023. The long-term variable remuneration (LTI) is not included as it has not yet been granted and owed but only allocated.

		Dr Andreas Pleßke				Dr Stephen Kimmich				Christoph Müller			
		Chief Executive Officer				Deputy Chief Executive Officer / CFO				Executive Board member responsible for Digital & Webfed			
		2023		2024		2023		2024		2023		2024	
		€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Non-performance-related remuneration	Fixed remuneration	600	65	600	67	480	65	480	64	480	68	480	69
	Fringe benefits [1)]	25	3	27	3	43	6	34	5	27	4	24	3
Total		**625**	**67**	**627**	**70**	**523**	**71**	**514**	**69**	**507**	**71**	**504**	**73**
STI – short-term variable remuneration		301	33	290	32	216	29	248	33	204	29	204	29
Total		**301**	**33**	**290**	**32**	**216**	**29**	**248**	**33**	**204**	**29**	**204**	**29**
Other (salary waiver/termination benefits)[2]		0	0	-18.75	-2	0	0	-15	-2	0	0	-15	-2
Total remuneration		**926**	**100**	**898**	**100**	**739**	**100**	**747**	**100**	**711**	**100**	**693**	**100**

		Ralf Sammeck				Michael Ulverich			
		Executive Board member responsible for Sheetfed				(until 30 November 2024) COO			
		2023		2024		2023		2024	
		€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Non-performance-related remuneration	Fixed remuneration	480	64	480	63	480	62	440	57
	Fringe benefits [1)]	28	4	29	4	40	5	35	5
Total		**508**	**67**	**509**	**67**	**520**	**67**	**475**	**62**
STI – short-term variable remuneration		247	33	266	35	251	33	262	34
Total		**247**	**33**	**266**	**35**	**251**	**33**	**262**	**34**
Other (salary waiver/termination benefits)[2]		0	0	-15	-2	0	0	32	4
Total remuneration		**755**	**100**	**760**	**100**	**771**	**100**	**769**	**100**

1)The fringe benefits include the costs or the monetary equivalent of non-cash benefits and other benefits such as the provision of company cars, grants for insurance cover, legal and tax consulting, housing and relocation costs, including any taxes payable on these, foreign-currency compensation payments and costs in connection with medical examinations.
2) Other includes the payment of termination benefits in December 2024 for Michael Ulverich and the voluntary waiver of 12.5% of a monthly salary instalment (two months for Mr Ulverich, otherwise three months)

Remuneration earned

The following table sets out the remuneration earned for 2024. The remuneration consists of the fixed remuneration components and the variable remuneration components expected to be earned (deferred STI 2024 and assumed target for LTI 2024). The STI for 2024 will be paid out in 2025. The payment shows the amount of remuneration paid to the Executive Board members in the year. This includes the STI 2023 paid out in 2024 and the equivalent value of the (virtual) shares transferred after the Annual General Meeting under LTI 2023.

		Dr Andreas Pleßke				Dr Stephen Kimmich				Christoph Müller			
		Chief Executive Officer				Deputy Chief Executive Officer / CFO				Executive Board member responsible for Digital & Webfed			
	Earned in	2023		**2024**		2023		**2024**		2023		**2024**	
		€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Non-performance-related remuneration	Fixed remuneration	600	46	600	53	480	44	480	52	480	47	480	58
	Fringe benefits [1]	25	2	27	2	43	4	34	4	27	2	24	3
Total		**625**	**48**	**627**	**55**	**523**	**48**	**514**	**56**	**507**	**49**	**504**	**61**
STI – short-term variable remuneration		290	22	136	12	248	22	112	12	204	20	26	3
LTI - multi-year variable remuneration	Share-based – 2023 earned in 2023, paid in 2024, to be paid out in 2028)	390	30			312	29			312	31		
	Share-based – 2024 earned in 2024, paid in 2025, to be paid out in 2029)			390	33			312	34			312	38
Total		**680**	**52**	**526**	**46**	**560**	**52**	**424**	**46**	**516**	**51**	**338**	**41**
Other (salary waiver/termination benefits)[2]		0	0	-18.75	-1	0	0	-15	-2	0	0	-15	-2
Total remuneration		**1305**	**100**	**1134.25**	**100**	**1083**	**100**	**923**	**100**	**1023**	**100**	**827**	**100**

		Ralf Sammeck				Michael Ulverich			
		Executive Board member responsible for Sheetfed				(until 30 November 2024) COO			
	Earned in	2023		**2024**		2023		**2024**	
		€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Non-performance-related remuneration	Fixed remuneration	480	44	480	54	480	44	440	46
	Fringe benefits [1]	28	3	29	3	40	4	35	4
Total		**508**	**47**	**509**	**57**	**520**	**48**	**475**	**50**
STI – short-term variable remuneration		266	24	84	9	262	24	134	14
LTI - multi-year variable remuneration	Share-based – 2023 earned in 2023, paid in 2024, to be paid out in 2028)	312	29			312	29		
	Share-based – 2024 earned in 2024, paid in 2025, to be paid out in 2029)			312	35			312	33
Total		**578**	**53**	**396**	**44**	**574**	**52**	**446**	**47**
Other (salary waiver/termination benefits)[2]		0	0	-15	-1	0	0	32	3
Total remuneration		**1086**	**100**	**890**	**100**	**1094**	**100**	**953**	**100**

1)The fringe benefits include the costs or the monetary equivalent of non-cash benefits and other benefits such as the provision of company cars, grants for insurance cover, legal and tax consulting, housing and relocation costs, including any taxes payable on these, foreign-currency compensation payments and costs in connection with medical examinations.
2) Other includes the payment of termination benefits in December 2024 for Michael Ulverich and the voluntary waiver of 12.5% of a monthly salary instalment (two months for Mr Ulverich, otherwise three months)

Maximum remuneration

The total annual remuneration of the Executive Board members is capped at €1,750,000 (ordinary Executive Board members) and €2,170,000 (Chief Executive Officer) (cap on grant and on payment). The total remuneration is calculated as the sum total of the (i) fixed annual salary, (ii) annual bonus, (iii) base amount of the annual remuneration tied to the company's long-term business performance, (iv) any special remuneration, (v) annual pension contribution and (vi) fringe benefits for both target remuneration and the payment made. With regard to the cap on grants, the maximum remuneration was not achieved in 2022; nor is it expected to be achieved in 2023. The payment cap for 2023 and 2024 will be disclosed in the 2028 and 2029 remuneration reports, respectively, following the end of the respective lock-up period.

The maximum remuneration has been adjusted in the 2024 remuneration system. Payment of the remuneration granted is capped for a given year, regardless of the actual payment date. Maximum remuneration is capped at €2.8m for the Chief Executive Officer and at €2.1m for the other members of the Executive Board. If the total annual remuneration exceeds the maximum remuneration under Section 87a (1) of the German Stock Corporation Act, payment under the long-term incentive is reduced accordingly.

The maximum remuneration stipulated in the service contracts applies; this is identical to the 2021 remuneration system.

	Maximum remuneration under the 2021 remuneration system	Maximum remuneration under the 2024 remuneration system
Chief Executive Officer	€2,170,000	€2,800,000
Ordinary member	€1,750,000	€2,100,000

Executive Board member	Payment of remuneration in 2024 (€ thousand)	Remuneration earned in 2024 (€ thousand)	Cap (€ thous.)
Dr Andreas Pleßke	1,098	1,334	2,170
Dr Stephen Kimmich	947	1,123	1,750
Christoph Müller	893	1,027	1,750
Ralf Sammeck	960	1,090	1,750
Michael Ulverich[1] (until 30 November 2024)	969	1,153	1,750

1 The remuneration includes the termination benefits for December 2024

Share ownership guidelines

The 2021 remuneration system does not include any explicit share ownership guidelines. The interests of the Executive Board and the shareholders were aligned by linking the long-term variable remuneration to the share price over a period of four years. There are no other share ownership guidelines.

Under the new 2024 remuneration system, the members of the Executive Board undertake to acquire shares in Koenig & Bauer AG in an amount equalling 100% of their fixed annual salary (SOG target) and to hold them for the duration of their service contract. Until the individual SOG target is reached, each member of the Executive Board must acquire shares in Koenig & Bauer AG in an amount equivalent to 25% of the gross payment amount under the performance share plan. The obligation to acquire and hold shares commences upon the Executive Board member's initial appointment or, in the case of existing members, upon the implementation of the remuneration system in the service contract.

Negative bonus and claw-back arrangements

Koenig & Bauer AG may refuse payment of all or part of the annual bonus and the annual remuneration tied to the company's long-term performance ("performance-related remuneration") in certain defined cases and demand repayment of remuneration provided in the last year since payment (claw-back). The service contracts provide for claw-backs in the following cases for example:

Variable remuneration elements may particularly be reclaimed if the payment of variable remuneration elements is based on incorrect or incomplete information about the agreed assessment bases and a lower variable remuneration payment would have resulted from a subsequent correction of such information (restatement clawback). In addition, a payment already made may be reclaimed in the event of any relevant misconduct on the part of the member of the Executive Board during the year in which the variable remuneration entitlement accrues. Relevant misconduct may include a direct violation of the Koenig & Bauer Group's Code of Conduct or breaches of any statutory duties (compliance clawback). Such misconduct also arises if the member of the Executive Board has failed to take any steps consistent with his or her duties to prevent any breaches by third parties. Koenig & Bauer AG may provisionally refuse to pay the variable remuneration elements under similar circumstances (compliance penalty).

Early-termination settlement

In the event of the premature termination of the service contract, the company does not remunerate more than the value of the claims arising for the remaining term of the contract. Payments, including fringe benefits, may not exceed an amount equalling two years' remuneration (severance pay cap). The annual remuneration is the sum total of (I) the fixed annual salary, (II) the annual bonus in accordance with the last applicable target agreement, (III) other fringe benefits and (IV) contributions to the pension scheme. Any special remuneration or claims to the annual remuneration tied to the company's long-term success of the company are excluded from the calculation of the severance pay cap. If the service contract is prematurely terminated at the request of the Executive Board members or if there is an important reason for termination by the company, no severance payments are made.

Mr Ulverich resigned from the Executive Board effective 30 November 2024. For the period from 1 December 2024 until 31 March 2026, Koenig & Bauer will pay Mr Ulverich the fixed annual salary of a total of €640,000 for this period. In accordance with the terms of his service contract, he also receives an annual bonus and remuneration tied to long-term performance for the period from December 2024 until March 2026, where applicable on a time-proportionate basis. The targets for variable remuneration in 2025 and 2026 correspond to the targets for the year under review. Notwithstanding the terms of his service contract, the blocking period does not apply to the (virtual) shares to be issued for this period, and Mr Ulverich may demand payment of the basic amount plus the gain or less the loss in the share price at any time, but limited to a period of two years after the issue of the virtual shares.

He also retains his entitlement to 75% of a private telephone connection and a 50% subsidy towards his statutory pension insurance until 31 March 2026; he is also entitled to an advance towards the rent for his accommodation in Würzburg until 31 January 2025. The aforementioned benefits do not count towards the cap on termination benefits provided for in his service contract.

Mr Ulverich may terminate any of the above-mentioned benefits subject to notice of two weeks. Likewise, Mr Ulverich will retain the pension plan provided for members of the Executive Board on the basis of a defined contribution scheme until March 31, 2026. This amounts to €200,000 for a full year and, if necessary, will be paid proportionately for 2026. The waiver of 12.5% of the fixed monthly remuneration from October 2024 was revoked by Mr Ulverich under the termination agreement with effect from December 2024. The termination benefits for 2024 are valued at €42,202. For 2025 and the relevant part of 2026, the fixed remuneration (fixed monthly salary plus the aforementioned fringe benefits) of a total of €612,750 is due for payment in January 2025 under the termination benefits provided for in the termination agreement. The pension commitment for 2025 and proportionately also for 2026 as well as the applicable variable remuneration components are due for payment on the regular dates.

Disclosures on former Executive Board members
In the year under review, former members of the Executive Board received no remuneration other than retirement benefits with the exception of Mr Ulverich, who received the termination benefits described above. The total benefits (current pensions) paid to former Executive Board members and their surviving dependents equal €1,499,837 (previous year: €1,434,766). Provisions of €22,927,690 (previous year: €23,075,203) were set aside for pension obligations towards former Executive Board members and their surviving dependants in accordance with IFRS; in accordance with the German Commercial Code (HGB), the provisions amount to €27,976,102 (previous year: €28,279,958). Pursuant to section 162 of the German Stock Corporation Act, the total remuneration paid to former Executive Board members in the first ten years after the termination of their duties must be stated individually.

The following table sets out the remuneration granted and owed to former members of the Executive Board who have terminated their services for the company in the past ten years or less. The pension benefits are fixed remuneration and there are no variable elements.

Former Executive Board member	Retired	Pension payments in 2023	Pension payments in 2024
Claus Bolza-Schünemann	31 December 2020	€217,080	€221,859

Supervisory Board remuneration

The remuneration rules applicable to the members of the Supervisory Board for 2024 are set out in Section V, Article 13 of the Articles of Association of Koenig & Bauer AG. They were approved at the Annual General Meeting on 11 May 2021 with a majority of 99.95% of the capital represented and applied for the first time from 2022. Detailed information can be found on the company's website at https://investors.koenig-bauer.com/de/corporate-governance/verguetung/.

Principles of Supervisory Board remuneration
The following rules apply in 2024: in addition to an attendance fee and the reimbursement of out-of-pocket expenses, each member receives fixed annual remuneration of €45,000. The Chairman of the Supervisory Board receives €120,000 and his deputies €80,000 each. The chairperson and the members of the Audit Committee receive €22,500 and €15,000, respectively, the chairperson and the members of the Strategy Committee €20,000 and €13,000, respectively, and the chairperson and the members of the Nomination Committee €10,000 and €8,000, respectively, per year. The members of the other committees shall not receive any separate remuneration. Activities on the committees of the Supervisory Board are remunerated once. If a member sits on several committees, he or she receives the amount for the committee with the highest remuneration. Furthermore, each member present at the meeting receives an attendance fee of €250; no attendance fee is paid for meetings of the committees.

D&O insurance has been taken out for the members of the Supervisory Board and is subject to a deductible of €2,500.

Change in the Supervisory Board
In the year under review, three members of the Supervisory Board were re-elected: Prof. Raimund Klinkner with 98.06%, Ms Dagmar Rehm with 99.77% and Dr Johannes Liechtenstein with 99.66% of the votes validly cast.

Supervisory Board remuneration granted and owed for 2024
The following table sets out the remuneration of the Supervisory Board members granted and owed in accordance with section 162 (1) of the German Stock Corporation Act in the year under review. Since the Supervisory Board remuneration for 2023 was not paid out until 2024, this table contains the remuneration for 2023. The short-term variable remuneration was deferred for the year under review as it will not be paid until 2025. Accordingly, the remuneration attributable to this period is reported in 2024 despite the fact that payment is not made until the beginning of 2025 (hereinafter "remuneration earned").

Supervisory Board remuneration granted and owed (payment of remuneration earned in 2023)

Supervisory Board member	Fixed remuneration	Percentage Fixed remu-neration	Committee remuneration	Percentage Committee remunera-tion	Attendance fee	Percentage Attendance fee	Total
Prof. Dr.-Ing. Raimund Klinkner, Chair	€120,000.00	88.24%	€13,000.00	9.56%	€3,000.00	2.21%	€136,000.00
Gottfried Weippert, Deputy Chairman	€80,000.00	81.84%	€15,000.00	15.35%	€2,750.00	2.81%	€97,750.00
Dagmar Rehm, Deputy Chairwoman	€80,000.00	75.83%	€22,500.00	21.33%	€3,000.00	2.84%	€105,500.00
Claus Bolza-Schünemann (since 16 June 2013)	€22,500.00	73.17%	€6,500.00	21.14%	€1,750.00	5.69%	€30,750.00
Julia Cuntz	€45,000.00	94.24%	€0.00	0.00%	€2,750.00	5.76%	€47,750.00
Carsten Dentler	€45,000.00	74.38%	€13,000.00	21.49%	€2,500.00	4.13%	€60,500.00
Marc Dotterweich	€45,000.00	72.00%	€15,000.00	24.00%	€2,500.00	4.00%	€62,500.00
Werner Flierl (until 31 July 2023)	€26,500.00	100.00%	€0.00	0.00%	€0.00	0.00%	€26,500.00
Matthias Hatschek (until 16 June 2023)	€22,500.00	75.00%	€6,500.00	21.67%	€1,000.00	3.33%	€30,000.00
Christopher Kessler	€45,000.00	74.38%	€13,000.00	21.49%	€2,500.00	4.13%	€60,500.00
Prof. Dr.-Ing. Gisela Lanza	€45,000.00	66.91%	€20,000.00	29.74%	€2,250.00	3.35%	€67,250.00
Dr Johannes Liechtenstein	€45,000.00	71.43%	€15,000.00	23.81%	€3,000.00	4.76%	€63,000.00
Simone Walter	€45,000.00	73.77%	€13,000.00	21.31%	€3,000.00	4.92%	€61,000.00
Sabine Witte-Herdering (since 1 August 2023)	€18,750.00	94.94%	€0.00	0.00%	€1,000.00	5.06%	€19,750.00
Total	**€685,250.00**		**€152,500.00**		**€31,000.00**		**€868,750.00**

In declarations dated 1 October 2024, the members of the Supervisory Board voluntarily agreed to waive 12.5% of their fixed remuneration as a sign of solidarity in the implementation of the “Spotlight” restructuring programme.

Remuneration of the Supervisory Board in 2024

Supervisory Board member	Fixed remuneration according to Articles of Association	Solidarity contribu-tion	Fixed remu-neration in 2024	Share of fixed remuneration	Committee remuneration	Percentage Committee remunera-tion	Attendance fee	Percentage Attendance fee	Total
Prof. Dr.-Ing. Raimund Klinkner, Chair	€120,000	€3,750	€116,250	87.24%	€13,000	9.76%	€4,000	3.00%	€133,250
Gottfried Weippert, Deputy Chairman	€80,000	€2,500	€77,500	80.31%	€15,000	15.54%	€4,000	4.15%	€96,500
Dagmar Rehm, Deputy Chairwoman	€80,000	€2,500	€77,500	74.70%	€22,500	21.69%	€3,750	3.61%	€103,750
Claus Bolza-Schünemann	€45,000	€1,406	€43,594	72.24%	€13,000	21.54%	€3,750	6.21%	€60,344
Julia Cuntz	€45,000	€1,406	€43,594	91.60%	0	0%	€4,000	8.40%	€47,594
Carsten Dentler	€45,000	€1,406	€43,594	72.85%	€13,000	21.72%	€3,250	5.43%	€59,844
Marc Dotterweich	€45,000	€1,406	€43,594	69.65%	€15,000	23.96%	€4,000	6.39%	€62,594
Christopher Kessler	€45,000	€1,406	€43,594	72.24%	€13,000	21.54%	€3,750	6.21%	€60,344
Prof. Dr.-Ing. Gisela Lanza	€45,000	€1,406	€43,594	65.46%	€20,000	30.03%	€3,000	4.50%	€66,594
Dr Johannes Liechtenstein	€45,000	€1,406	€43,594	69.92%	€15,000	24.06%	€3,750	6.02%	€62,344
Simone Walter	€45,000	€1,406	€43,594	71.94%	€13,000	21.45%	€4,000	6.60%	€60,594
Sabine Witte-Herdering	€45,000	€1,406	€43,594	92.08%	€0	0.00%	€3,750	7.92%	€47,344
Total	**€685,000**	**€21,406**	**€663,594**		**€152,500**		**€45,000**		**€861,094**

Comparative presentation of remuneration and earnings over time

For the purpose of the horizontal comparison, the Supervisory Board commissioned an independent management consultancy in 2023 to carry out a market comparison of the amounts and structure of the Executive Board remuneration system. A peer group consisting of mechanical engineering and technology companies of a comparable size, particularly those listed in the MDAX and SDAX, as well as a peer group from related industries was used as a benchmark. For the purposes of the comparison, the current remuneration of the Executive Board members was benchmarked against the peer group remuneration. A comparison of the target and maximum remuneration was made. In addition, the adjacent remuneration elements were reviewed:

	Target remuneration	Maximum remuneration
	Base remuneration	Base remuneration
+	Target STI amount	Maximum STI
=	**Target remuneration**	**Maximum cash remuneration**
+	Target LTI amount	Maximum LTI
=	**Target direct remuneration**	**Maximum direct remuneration**
+	Company pension scheme	Company pension scheme
=	**Target remuneration**	**Maximum total remuneration**

The following table provides a vertical comparison of the remuneration within the company. As the remuneration of the Executive Board is also measured on the basis of the Group's earnings, these are also presented. Senior management includes all executives who report directly to members of Koenig & Bauer AG's Executive Board. The remaining workforce consists of employees subject to collective bargaining agreements and non-tariff employees of the company. All employees of the company are based in Germany.

	Granted, owed 2024[1]	**Granted, owed in 2023**	**Change in 2024 over 2023**		**Change in 2023 over 2022**		**Change in 2022 over 2021**		**Change in 2021 over 2020[2]**		**Change in 2020 over 2019**	
Present Executive Board members	€ thous.	€ thous.	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Dr Andreas Pleßke	898	926	-28	-3	-194	-17	325	41	206	35	-57	-9
Dr Stephen Kimmich	747	739	8	1	-168	-19	283	45	254	69		
Christoph Müller	693	711	-18	-3	-104	-13	237	41	-465	-45	-168	-14
Ralf Sammeck	760	755	5	1	-150	-17	325	56	-536	-48	-114	-9
Former Executive Board members												
Michael Ulverich (until 30 November 2024)[3]	769	771	-2	0	-143	-16	288	46	257	70		
Employees												
Average remuneration of the workforce	71	66	5	8	4	6	4	7	-1	-2	-4	-7
Average remuneration of managers	173	180[4]	-7	-4	19	12	-4	-3	29	23	-31	-20
Earnings over time (€m)	**2024 €m**	**2023 €m**	**€m**	**%**	**€m**	**%**	**€m**	**%**	**€m**	**%**	**€m**	**%**
Group profit	-69.8	2.8	-72.6	-2,592.86	-8.3	-75	-3.4	-23	117.6	-114	-155.4	-297
Net profit of Koenig & Bauer AG	-61.7	5.8	-67.5	-1,163.79	3.1	115	-8.6	-76	-31.2	-73	34.2	412

1 To enhance the readability of the comparative figures, only amounts granted/owed are shown in all years
2 Entry of Dr Kimmich and Mr Ulverich on 15 April 2020
3 Including share of termination benefits for December 2024
4 Variable remuneration paid out higher than assumed in the 2023 annual report

	Granted, owed 2024[1]	Granted, owed 2023	Change in 2024 over 2023		Change in 2023 over 2022		Change in 2022 over 2021		Change in 2021 over 2020		Change in 2020 over 2019	
Present Supervisory Board members[2]	€ thous.	€ thous.	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%	€ thous.	%
Prof. Dr.-Ing. Raimund Klinkner, Chairman	136	137	-1	-0.7	57	71.7	-0.5	-1	20	33.8	57	2,462.6
Gottfried Weippert, Deputy Chairman	98	99	-1	-1	36	56.1	1	-1	3.5	5.8	11	22.8
Dagmar Rehm, Deputy Chairwoman	106	106	0	0	39	57.8	-0.5	-1	2	3.1	13	25.4
Claus Bolza-Schünemann (since June 2023)	31											
Julia Cuntz	48	49	-1	-2	11	27.6	-1	-2	2.5	6.9	7	25
Carsten Dentler	61	61	0	0	17	37.9	-1	-2	2.25	5.3	8.5	24.8
Marc Dotterweich	63	64	-1	-1.6	18	40.1	-1	-2	2.25	5.1	9	25.5
Christopher Kessler	61	62	-1	-1.6	18	39.6	-1	-2	2.5	5.8	8.5	24.8
Prof. Dr.-Ing. Gisela Lanza	67	67	0	0	20	43.5	-1	-3	2	4.3	9	25.5
Dr Johannes Liechtenstein	63	64	-1	-1.6	18	39.6	-0.25	-1	23	102.2		
Simone Walter	61	62	-1	-1.6	20	49.2	3	7	1.8	4.8	7.5	25.6
Sabine Witte-Herdering (since August 2023)	20											
Former Supervisory Board members												
Walther Mann					-22	-100.0	-23	-51	2	5.2	9	25.5
Dr Martin Hoyos											-30	-47.6
Werner Flierl (until 31 July 2023)	27	48	-21	-43.8	29	150.0						
Matthias Hatschek (until 16 June 2023)	30	61	-31	-50.8	17	38.4	-1	-2	2.25	5.2	9	25.5

1 To enhance the readability of the comparative figures, only amounts granted/owed are shown in all years
2 Corresponds to the remuneration earned in 2023, accordingly, only the Supervisory Board members in 2023 are shown.

Auditor’s Report

To Koenig & Bauer AG, Würzburg

We have audited the remuneration report of Koenig & Bauer AG, Würzburg, for the financial year from January 1 to December 31, 2024 including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of the Executive Directors and the Supervisory Board
The executive directors and the supervisory board of Koenig & Bauer AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, 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 German generally accepted standards for the audit of financial statements 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 stated in the remuneration report. The procedures selected depend on the auditor‘s judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this 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 the executive directors and the supervisory board, as well as evaluating the overall presentation of the remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion
In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1to December 31, 2024, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

Reference to an Other Matter – Formal Audit of the Remuneration Report according to § 162 AktG

The audit of the content of the remuneration report described in this auditor‘s report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

Restriction on use
We issue this auditor’s report on the basis of the engagement agreed with Koenig & Bauer AG. The audit has been performed only for purposes of the company and the auditor‘s report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor’s report is only towards the company in accordance with this engagement. The auditor’s report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Nuremberg, March 20, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Marco See	Dr. Felix Canitz
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Non-financial Group report

Detailed index

Koenig & Bauer attaches extraordinarily high importance to its responsibility, which is firmly anchored in its corporate values. We have taken our responsibility towards our employees seriously ever since our company was first established more than 200 years ago. In addition to investing in our own future, we also see our strong commitment to in-company training as an element of our corporate responsibility towards the community. We are committed to preserving and protecting the environment through our various initiatives for emission- and resource-optimised products and production processes. As a sustainability enabler, we want to support our customers around the world in their sustainability efforts. Social responsibility as well as the strong voluntary commitment on the part of our employees are also element of Koenig & Bauer's corporate identity. Integrity in our business activities and respect for human rights are core elements of our corporate governance practices. With our sustainability goals, we want to fulfil our social, ecological, societal and ethical responsibilities and strategically advance our company.

One of the three pillars of our "Exceeding Print" corporate strategy is sustainability with a wide range of environmental, social and governance (ESG) activities. We are aiming to reduce by 2025 the carbon emissions (Scope 1 and 2) of our production plants by 75% compared with 2019 and to achieve carbon neutrality from 2030 onwards. Reducing our Scope 3 carbon emissions is also on our agenda. Another objective of our sustainability efforts is to promote the health of our employees, prevent work-related hazards and minimise the number of workplace accidents. We also want to additionally enhance diversity in terms of gender, age, international background and experience. Alongside diversity as an element of our corporate culture, we want to make use of various activities to take a stand against racism and discrimination. And, finally, we are committed to respecting human rights and preserving and protecting the environment in our supply chain by integrating sustainability into the procurement process and complying with comprehensive due diligence obligations.

As a UN Global Compact participant, Koenig & Bauer is actively supporting the implementation of the United Nations' 17 Sustainable Development Goals (SDGs), which define the framework for responsible business in economic, ecological and social terms. The UN Global Compact is the world's largest sustainability initiative for sustainable and responsible corporate governance. The participants have undertaken to support the ten principles of the UN Global Compact in the fields of human rights, labour standards, environmental protection and the fight against corruption, to promote the 17 SDGs within their respective spheres of influence and to report annually on the progress achieved. Koenig & Bauer has identified seven of these SDGs as priorities and is addressing them with strategic sustainability initiatives. In particular, the Group's diverse sustainability activities are targeted at the following SDGs: "3 Good health and well-being", "4 Quality education", "5 Gender equality", "8 Decent work and economic growth", "12 Responsible consumption and production", "13 Climate action" and "17 Partnerships for the goals". We see our scope for influence and for making a difference in these goals.

We have also joined the Blue Competence sustainability initiative. Launched by German industry association VDMA, it aims to promote sustainability in mechanical and plant engineering as well as to further sustainable solutions in this industry. Koenig & Bauer is also a member of the Healthy Printing Initiative, which aims to advance the implementation of the cradle-to-cradle design approach in the printing industry. Accordingly, the initiative aims to promote the use of environmentally friendly substrates, inks, varnishes and auxiliaries in the printing of paper, corrugated board and cardboard products, plastics and other substrates and ultimately to enable efficient recycling systems. As a member of the 4evergreen alliance, we network with producers of paper, folding cartons and cardboard, brand owners and retailers, suppliers of technology and materials as well as with the waste collection, sorting and recycling industry. The alliance aims to communicate more effectively the benefits of fibre-based packaging materials as alternative solutions and to achieve a recycling rate of 90% for them by 2030. Finally, as a member of the Holy Grail 2.0 initiative, we are working towards finding a common solution for intelligent packaging recycling. Stamp-sized digital watermarks that can be printed on the surface of packaging and function as a "digital recycling passport" are a promising approach for an efficient circular economy. At the regional level, we are a member of Würzburg AG's Green Network, which aims to connect local companies on matters relating to sustainability.

Disclosure option selected

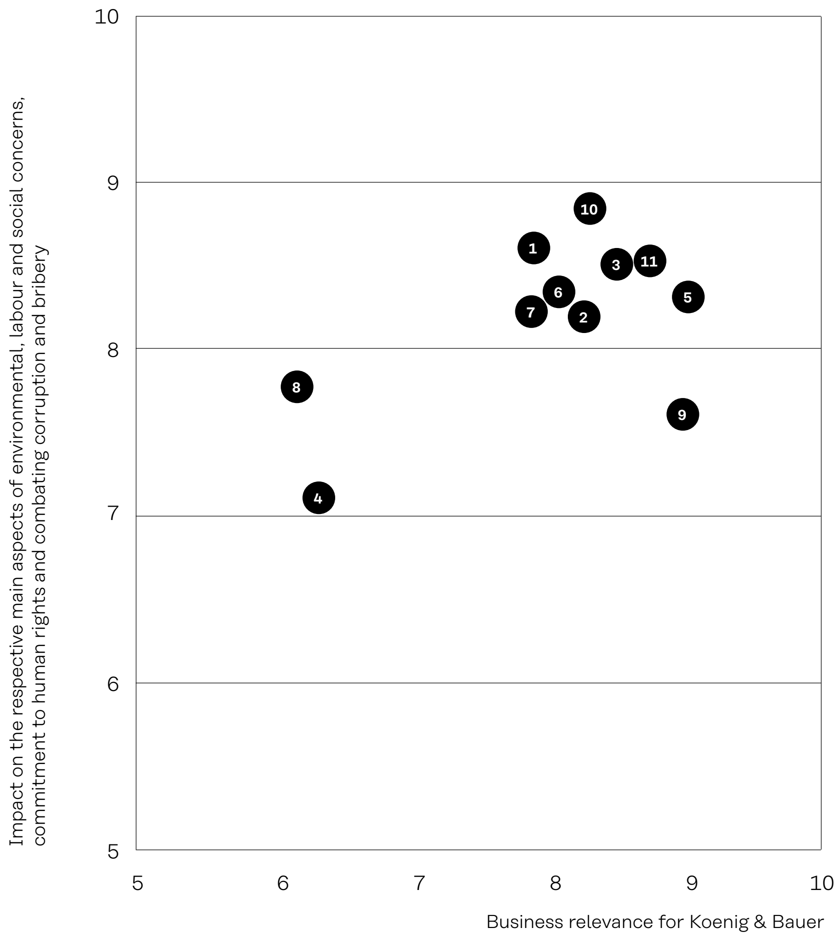
The separate non-financial Group report was prepared in accordance with Section 315c in conjunction with Sections 289c to 289e of the German Commercial Code and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the delegated acts adopted in this regard as well as the interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted in this regard, as presented in the section entitled “Disclosures on the EU Taxonomy” of the separate non-financial Group report. References to disclosures outside the Group’s non-financial report constitute further information and are therefore not part of the report. The separate non-financial Group report is published independently of the combined management report. The two separate reports are published in the Bundesanzeiger together with the external auditor’s opinion. They are also published on the company’s website at www.koenig-bauer.com/de/investor-relations/finanzberichte/.

Business model, non-financial risk report and materiality analysis

The Koenig & Bauer Group’s business model is presented in the combined management report (see page 18 of the 2024 annual report). In terms of sustainability, we as a solution provider and technology partner want to support our customers in reducing their ecological footprint. Various eco-components and innovative technical solutions that we have developed help to reduce carbon emissions by lowering energy consumption, waste and the use of other resources such as paints and varnishes. We incorporate sustainability aspects in the process for new and further developments wherever possible. Using detailed sustainability profiles, we present various eco-components and innovative technical solutions for improving energy and resource efficiency. Due to growing customer interest in a carbon-neutral printing press, in which the carbon emissions generated during production are neutralised through climate protection projects, we have worked with partners to develop algorithms and software solutions for the individual calculation of the Product Carbon Footprint (PCF). With the Product Carbon Footprint Calculator developed by the Munich-based start-up Telusio, we can carry out automated PCF calculations for our Rapida medium-format presses with high quality, timeliness and transparency.

Koenig & Bauer’s Management Board is responsible for sustainability, including non-financial reporting on the environmental, employee and social aspects defined by law, the observance of human rights and anti-bribery and anti-corruption precautions. Under the Management Board’s business allocation plan, the Chief Executive Officer is responsible for corporate responsibility (ESG) and, hence, for all reported non-financial aspects. In organisational terms, the Corporate Responsibility department, which reports to the Chief Executive Officer, oversees sustainability. Individual ESG objectives for 2024 constitute a component of the Management Board’s remuneration as an element of the short-term incentive (STI), see the comments in the remuneration report on pages 129 et seq. of the 2024 annual report. Within the Supervisory Board, the Audit Committee is responsible for sustainability/ESG. The Audit Committee was regularly briefed on the progress being made within the Group with respect to the new regulatory ESG requirements, particularly under the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). Following the Audit Committee’s regular updates on ESG regulations and activities, the Chairwoman of the Audit Committee reported to the entire Supervisory Board on the ESG topics discussed. Within the scope of its statutory supervision duties, the Supervisory Board has engaged PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft to audit this separate non-financial consolidated report to obtain limited assurance (see the audit opinion on pages 189 et seq. of the 2024 annual report).

A materiality analysis was conducted to define the main aspects of the non-financial Group report. In accordance with the CSR Directive Implementation Act (sections 315c/289c of the German Commercial Code), the analysis is composed of the following elements: environmental, employee and social matters, observance of human rights and anti-bribery and anti-corruption precautions. The disclosure topics defined are based on the 2022 materiality analysis aligned to the current version of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). In a preliminary step, a comprehensive list of non-financial matters potentially of relevance for customers, employees, investors and business partners was prepared with respect to these five aspects in accordance with the German Commercial Code. On the basis of this long list, we initially defined the material non-financial issues for our business activities, business relationships, products and services within the five aspects in accordance with the German Commercial Code (HGB) in internal workshops and subsequently in an online survey of external and internal stakeholders. A short list was then prepared setting out all the matters which on a scale from 0 (not material or relevant) to 10 (highly material or relevant) had an average materiality score of at least 5 for the main issue in question and its business relevance. This was aligned to the current version of the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). The internal respondents were managers and experts from operations management, production, service, personnel management, personnel development, quality management, product management and innovation, construction, development & process technology, safety/health/environment, facility management, compliance & internal auditing & risk management, corporate strategy, business/corporate development, marketing and communications. All business units and, in particular, employee representatives across the Group were involved. In addition to industry representatives from other components industries, the external stakeholders questioned primarily included customers and producers of brand-name articles as well as their customers together with banks, scientific experts and students. The following materiality matrix summarises the results:



1: Operational environmental and energy management
2: Ecological printing technology
3: Attractive employer
4: Diversity
5: Recruitment of and professional training for the next generation of skilled workers
6: Systematic personnel development
7: Health and safety
8: Commitment to the community
9: High product quality for greater on-site and process reliability in printing operations
10: Commitment to human rights
11: Anti-corruption and anti-bribery

As in the previous two years, the facts and issues presented in this materiality matrix are also to be included in the non-financial Group report for 2024. The decisive factor here was the comprehensive double materiality analysis, which was carried out in summer 2023 in accordance with the Corporate Sustainability Reporting Directive (CSRD) resp. the European Sustainability Reporting Standards (ESRS) and confirmed the topics identified in the materiality analysis last carried out in 2022 (based on the GRI). Due to the significantly different methodology, additional topics were categorised as material in the double materiality analysis. As the CSRD had not yet been transposed into German law by the time this report was prepared in March 2025, this separate non-financial Group report was prepared in accordance with the applicable regulatory requirements (see “Selected disclosure option” above). No framework was used in the year under review. It can be assumed that disclosures will be made in accordance with the ESRS from 2025 onwards.

Based on the consolidated Group companies, the sections below report on the following material non-financial matters: with respect to environmental matters, these are operational environmental and energy management and ecological printing technology. In addition to our appeal as an employer and the need for diversity, the key employee-related aspects include recruiting and training junior specialists and managers, systematic personnel development as well as health and safety. With respect to social aspects, social responsibility and high product quality in the interests of greater work and process safety in printing operations have been defined as material. This is followed by a presentation of the aspects of the company’s commitment to human rights and high labour standards as well as anti-corruption and bribery precautions.

The risk inventory conducted at the end of 2024 did not identify any material, reportable non-financial risks resulting from own business activities, business relationships, products or services that will very probably have a serious adverse impact on the non-financial aspects mentioned. Risks that affect the company externally are presented in the risk report in the combined management report (see pages 43 et seq. of the 2024 annual report).

Environmental aspects

At Koenig & Bauer, environmental aspects and the observance of high quality and safety standards are taken into account as far as possible along the entire value chain, from the product idea and purchasing to production and the commissioning of the printing presses. Right from the start of the development and design stage, attention is paid to energy and resource efficiency in the assembly and operation of printing presses and finishing equipment. A further focus is placed on minimising noise, dust, odour and carbon emissions during the production and utilisation of our presses as well as the use of environment-friendly substrates and consumables in the printing, finishing and postpress phases. There are different management approaches for the two thematic complexes of corporate environmental and energy management as well as ecological printing technology for customers.

Operational environmental and energy management
Effective environmental and climate protection in the plants as well as the responsible use of resources are priorities for Koenig & Bauer. The production plants in Radebeul, Würzburg and Dobruška hold DIN EN ISO 9001:2015 and DIN EN ISO 14001:2015 quality and environment certification. In addition, our foundry in Würzburg operates an energy management system that has been certified in accordance with DIN EN ISO 50001:2018. The Industrial production company at the Würzburg and Radebeul sites achieved Stage I certification under DIN EN ISO 50001:2018 in the year under review. The Stage II certification process is scheduled for completion in spring 2025. The VisuEnergy X energy management system developed by Koenig & Bauer is used to achieve the necessary transparency as a basis for defining energy-saving measures (see explanations on page 165 of the 2024 non-financial Group report)

A permanent focus of our work is on minimising the consumption of energy and resources in production as well as on reducing workplace emissions. We are consistently investing in efficient technologies and equipment to this end. The use of transport guides in the paint shop, which was launched in the year under review, can reduce the consumption of VCI and blister films for packaging components. Thanks to a new generation of paints, the VOC emissions from solvents and hardeners in the Würzburg paint shop can be reduced by roughly half. In addition, employee awareness of environmental issues and energy saving is raised via the brand ambassador Etti, who is used on our social media channels. In a sustainability tip in November 2024, employees were given practical recommendations on the intranet for saving energy in the office and on the shop floor.

With regard to our ecological responsibility, we want to proactively drive forward and achieve the defined goal of carbon neutrality by 2030 at our production plants. In addition to the key financial figures and ROI calculations ahead of investment decisions, the Group framework guideline for investments stipulates mandatory monitoring of the sustainability impact of investments. Alongside the mandatory assessment of all capital expenditure plans in the Group based on an environmental score tool used by the requester of the capital expenditure, information from the Corporate Responsibility department on the sustainability impact of the planned capital expenditure is also required in the case of a budget of €20 thousand or more. With the environmental score tool provided on the intranet together with an instruction and FAQ document, capital expenditure projects can be evaluated on a Group-wide basis in a standardised, comparable and efficient manner to determine their contribution to improving sustainability. The environmental score calculated with the tool equals the value of the capital expenditure in thousands of euros per total tonnes of carbon saved. Together with the numerical environmental score for the capital expenditure in question, the tool also categorises the capital expenditure according to classes A to G. Class A carbon savings achieved through the planned capital expenditure are the highest and the quotient the lowest. By contrast, class G capital expenditure projects are less energy-efficient relative to the capital invested. If, as is the case with new capital expenditure plans, no energy or resource reference data is available to calculate the carbon savings potential, a check based on soft facts aligned to the ESG (environmental, social and governance) criteria is required at a minimum. In most cases, investment requests currently entail an ESG soft check.

We are also working on improving the carbon footprint in our plants by adopting a green energy policy, which also includes energy efficiency measures. Since the beginning of 2021, we have been sourcing solely green electricity produced from hydroelectric power in Norway for our main Group sites in Würzburg and Radebeul as well as our subsidiary in Löhne. On 1 September 2023, the subsidiary in Veitshöchheim also switched to electricity from renewable energy sources. In addition to three solar thermal systems for climate-neutral water heating, photovoltaic systems are in operation at the Würzburg site to generate its own electricity. Further photovoltaic systems produce green electricity in Mödling and Radebeul. In the year under review, 875,187 kWh of electricity (previous year: 930,388 kWh) were generated by the Group-wide photovoltaic systems. At the Radebeul site, the concept for largely carbon-neutral district heating supplies using green energy could not be executed as planned. However, end of 2023 heating at the Mödling site was switched from gas to district heating derived from carbon-neutral biomass power plants via a link with the district heating network operated by Energieversorgung Niederösterreich.

Alongside the internal production and use of green energy, conservation and energy efficiency at our plants from another important pillar of our green energy policy. In addition to the modernisation and replacement of air compressors and air conditioning units, the compressed air systems are regularly checked for leaks due to their high power consumption in order to save energy through prompt repairs. Compressed air is required at almost all workplaces and production and assembly machines. Another component in our efforts to reduce electricity consumption while simultaneously improving working conditions is the accelerated replacement of lighting systems with highly efficient LED technology at our sites. The corresponding investments and expenses are included in the taxonomy-eligible Category C capital expenditure and operating expenses (see the section on the EU taxonomy). The investment in the new melting plant in the Würzburg foundry was capitalised in the year under review. In addition to the energy savings achieved with the new foundry melting furnaces, the optimised utilisation of waste heat allows energy to be fed into the plant's internal heating network, while the closed cooling water circuit reduces annual water withdrawal at the Würzburg plant by around 45%.

Dedusting, extraction and solvent distillation plants as well as improved sound insulation in the production and assembly halls reduce workplace emissions such as noise, dust and odour. Supply air systems ensure fresh air at a controlled temperature directly at the workplace. Responsible use of resources also entails sustainable waste management. We want to avoid waste as far as possible and dispose of unavoidable waste appropriately or recycle it in accordance with the legal requirements. With disposal activities, a distinction is drawn between hazardous and non-hazardous materials and between waste recycling and removal. The remeltable metal waste generated in metal-cutting activities in Würzburg is an important raw material in foundry operations. The new foundry melting furnaces also allow the wet casting chips from the machining of large parts in Würzburg to be fully recycled by melting them down. Our waste statistics provide detailed information about the type and quantity of waste produced, broken down according to hazardous and non-hazardous waste.

In addition to the corresponding quantities of waste in tonnes (t), the following table provides an overview of electricity, natural gas, LNG, district heating and other energy consumption in kilowatt hours (kWh) in 2024 compared with the previous year. In earlier reports, the waste and energy figures were only presented for the main sites in Radebeul and Würzburg. In the year under review, water consumption at the Radebeul and Würzburg sites totalled 40,831m³ (previous year: 52,366m³).

Energy consumptions (in kWh)	**2023**	**2024**
Electricity	46,350,673.0	43,437,194.7
Gas	21,908,182.6	18,805,592.9
District heating	12,275,084.0	16,000,435.0
Other energy sources	1,778,488.0	2,735,662.0
Amount of waste (in t)		
Waste	11,591.1	11,054.0

Based on these consumption figures, Scope 1 carbon-equivalent emissions in the Group in 2024 came to 6,712.0 t, 7.7% below the previous year's figure of 7,271.7 t. The switch from natural gas to green district heating at the Austrian site in Mödling was the main contributing factor here. The location-based Scope 2 carbon-equivalent emissions amounted to 16,344.7 t, compared to 16,659.1 t in the previous year. The location-based Scope 2 carbon-equivalent calculations for the respective countries are based on the emission factors of the International Energy Agency (IEA). The market-based Scope 2 carbon-equivalent emissions amounted to 6,909.3 t, compared with 6,715.9 t in the previous year. Despite the 6.3% drop in electricity consumption and the ongoing transition to renewable energy sources for electricity, the weather-related increase in district heating consumption resulted in this rise.

The Group-wide Scope 3 carbon emissions for 2024 were again calculated with external support. Thanks to the availability of new IEA emission factors, the entire life cycle for electricity and gas, including the upstream value chain and grid losses, were included in Scope 3 disclosures for the first time. The integration of ESG data from the newly implemented OneStream consolidation software also offered a more detailed basis for calculations. Scope 3 carbon-equivalent emissions totalled 2,515,850 t in the year under review. The previous year's figure for 2023 was adjusted to 2,840,040 tonnes of carbon-equivalents due to the inclusion of the life cycle assessment and a more detailed data basis. As in previous years, Scope 3 carbon-equivalent emissions account for the largest part of Koenig & Bauer's carbon footprint (2024: 99.4%). At over 90%, the main Scope 3 carbon-equivalent emission driver is the downstream side entailing product usage (category 3.11). Accordingly, top priority is being given to lowering the energy consumption of products by improving their energy efficiency, expanding digital services for improved press utilisation and raising customers' awareness of the importance of transitioning to green electricity. On the upstream side, the inclusion of the carbon footprint in purchasing materials and the more responsible transportation of materials, finished products and service parts offer further levers for reducing Scope 3 carbon emissions. A reduction in carbon emissions can also be achieved on employees' commutes to work through targeted incentives to use car pools, bicycles or public transport. Another contribution to climate protection can be achieved through sustainable travel management. Restrictions in business travel to a limited number of participants and to important occasions are one of the sustainability levers. In addition, the carbon footprint of every business trip can be improved by means of targeted travel planning including the selection of the method of transport.

The following table provides an overview of the Scope 1, 2 and 3 carbon-equivalent emissions in tonnes and the carbon-equivalent intensity in tonnes per one million euros of revenue: In earlier reports, Scope 1 and Scope 2 carbon-equivalent emissions were only presented for the main sites in Radebeul and Würzburg.

	2023	2024
Carbon-equivalent emissions (in t)		
Scope 1	7,271.7	6,712.0
Scope 2 – location-based	16,659.1	16,344.7
Scope 2 – market-based	6,715.9	6,909.3
Scope 3	2,840,040.0	2,515,850.0
Carbon-equivalent intensity (in t per €1m of evenue)		
Scope 1	5.5	5.3
Scope 2 – location-based	12.6	12.8
Scope 2 – market-based	5.1	5.4
Scope 3	2,140.5	1,974.1

Ecological printing technology
We consider sustainability and climate change mitigation to be essential features of our products, particularly due to their service life. We can set ourselves apart from the competition in various markets by offering emission-reduced and resource-saving products and corresponding equipment options and services. Accordingly, we pay attention to energy and resource efficiency in the production process and in the operation of the presses and equipment when developing and designing our products. In addition to minimising carbon, noise, dust and odour emissions in production and for product users, the use of environmentally friendly substrates and consumables in printing, finishing and further processing is a particular priority. When considering the environmental impact of our products, we also take account of the recyclability of the equipment. The main components such as steel and grey cast iron are completely recyclable and make a significant contribution to the circular economy.

We incorporate energy-saving technologies in our products to lower carbon-equivalent emissions in industrial printing. Below we present some of the eco-components and innovative technical solutions developed in recent years to reduce energy consumption, waste and resources such as inks and coatings. Koenig & Bauer offers a range of energy-saving alternatives for the drying process, which is one of the most energy-intensive functions in printing operations. The VariDryBlue drying system that we have developed for sheetfed presses is an energy-efficient solution. To dry water-based emulsion paints, the hot air is passed over the trays twice, obviating the need for heating additional room air. With the new double nozzle design of the VariDryBlue+-IR/hot air dryer, energy consumption can be reduced by up to 35%. HR and LED drier modules for interim and final drying are powerful but more efficient alternatives to conventional UV driers. The VariDry LED UV dryer consumes up to 30% less energy compared to conventional UV dryers. Waste can be saved and makeready times shortened by means of various quality measurement and control systems, inspection systems, preset functions and other equipment options. This allows customers to significantly increase the resource efficiency of their printing operations.

In the metal printing presses built by Koenig & Bauer MetalPrint, the HighEcon dryer, which has won the METPACK Innovation Award, cuts gas costs by up to 70% compared with older models thanks to the energy-efficient KXB burner. With the EcoTNV dryer, the air containing the solvent is fed into the thermal afterburner during drying. In integrated systems such as the HighEcon or EcoTNV dryers, the exhaust air is generally not only cleaned but also produces the heat for the dryer. The solvents in the exhaust air are used to save energy. Thus, if the solvent concentration in the exhaust air is sufficient, gas consumption can be lowered. If gas is replaced by green hydrogen, carbon emissions from the entire production process can be additionally reduced. Koenig & Bauer presented the first positive results of the “Hydrogen-heated dryer” development project in the year under review.

In banknote printing, we have developed a system for reducing the carbon emissions of intaglio presses by lowering power requirements. Intaglio presses require a wiping solution which must be pre-heated before use. On the other hand, some parts must be cooled by means of thermoregulation. In order to conserve and reuse energy, a power-saving unit has been developed to harness the synergistic effects between thermoregulation and the provision of a preheated wiping solution. This solution in combination with compressed air saves approximately 83 kW per hour during operation of the intaglio printing press. Banknote printing presses are predominantly equipped with UV lamps for curing the inks during or at the end of the printing process. As an alternative to this, Koenig & Bauer offers UV-LED systems. This does away with the need for air extraction and lowers energy consumption by roughly 45% per press. In addition, UV LED lamps have a longer service life, do not contain any mercury and do not give off any ozone. Koenig & Bauer offers further innovative solutions for greater resource efficiency in intaglio presses through lower waste and up to 25% lower ink consumption. Ink consumption is optimised by aligning the paper to the length and position of the printing plate. The size of the stencil, which has a direct bearing on ink consumption, can be reduced significantly without impairing the print quality. A further feature is also making it possible to apply ink in the printing process only where it is needed. This reduces ink consumption by a further 25% to up to 50%.

To additionally improve energy and resource efficiency in printing operations and throughout the entire company, Koenig & Bauer offers customers the VisuEnergy X energy management system, which permits end-to-end digitalisation and supports the recording of environmental data and an energy management system in accordance with DIN EN ISO 50001:2018.

A further example of our active environmental policies is water-based and migration-harmless ink for food packaging. This includes participation in successful practical testing of the use of mineral oil-free, low-migration inks that heatset printing companies require for packaging printing in the food sector.

Employee aspects

Koenig & Bauer sees a motivated, experienced, highly qualified, loyal and healthy workforce as a key element of its sustainable success due to its broad range of highly complex, tailor-made presses and services as well as sophisticated digital printing technology. With their expertise and commitment, our employees create sustainable added value for our company. Against the backdrop of demographic change with a significant increase in the need for replacement staff in the coming years together with digitalisation as a major trend, the current challenge is to find suitable junior staff and retain specialists with broad and in-depth expertise in a wide range of professions, especially since the activities in question often require a high degree of flexibility and willingness to travel. In addition to securing the future generation of specialists and managers, the main focus of our human resources activities in the year under review was on the professional and personal development and motivation of our employees. The key priority involved strengthening employer attractiveness and making workplace structures more flexible as part of the adjustments to Group governance. Despite the changed underlying conditions on the labour market, all training positions offered in the Group were filled. In the competition for talent, Koenig & Bauer benefits from its international outlook, its innovative products and digital services, its pronounced value orientation and its long history. A variety of measures, such as the early involvement of young management talent in projects and various training opportunities assist employees in unleashing their full potential. Thanks to the Koenig & Bauer Academy and the Koenig & Bauer Online Campus learning management system, our employees can benefit from an extensive array of training opportunities and learn autonomously and flexibly in line with their needs.

Respectful and responsible interaction with each other and the prevention of all forms of discrimination form part of our corporate culture. We ensure equal opportunities for all employees and seek to provide discrimination-free workplaces and promote inclusiveness regardless of gender, age, disability, religion, origin or sexual orientation. People with restricted mobility also have a place in Koenig & Bauer's regular workforce. Similarly, employing people with special needs is a major priority for us. Some of the companies at the Würzburg and Radebeul sites exceed the quota for employees with special needs stipulated in the German Social Code. At the foundry company in Würzburg, the severely disabled rate stood at 7.1% at the end of 2024 (2023: 8.3%).

Attractive employer
Koenig & Bauer offers its employees modern working conditions such as flexitime, working time accounts and mobile working, depending on the country and local conditions. Mobile working allows them to perform their work outside the company using mobile devices. The structure is organised in company agreements. In principle, the nature of the tasks, activity and projects determine whether and to what extent mobile working is feasible for employees. Particularly in production and assembly, mobile working is not possible. For employees with children in particular, the option of mobile working offers advantages in reconciling family and work. To strengthen Koenig & Bauer's profile as an attractive employer, there are various location-specific offers, such as bicycle leasing, public-transport season tickets, a further flexibilisation of working hours, future-oriented apprenticeships and dual Bachelor's degree programmes in IT and international business. Koenig & Bauer grants employees advances towards season, Germany and 38-euro rail tickets for apprentices in Bavaria as well as for bicycle leasing. There are also other benefits for our employees, such as pay-scale agreements at many Group companies, Group-wide internal personnel development and family-friendly programmes.

Employees are assisted in finding a viable work-life balance by means of special benefits such as flexible working hours, temporary or permanent part-time models, mobile working, childcare services and special leave as well as family leave and sabbaticals. The proportion of part-time employees in the Group widened to 5.0% (previous year: 4.9%). Furthermore, Koenig & Bauer offers various child and holiday care services at its sites. During the 2024 summer holidays, the fifth vacation programme for the children of employees at the Würzburg site was held over two weeks. This holiday programme has been included as a comprehensive concept with two complete childcare weeks in the nationwide company childcare guide as a practical example of one of four organisational models. The holiday care scheme, which was recognised as exemplary throughout Germany by the Federal Ministry of Family Affairs, has also been implemented at the Radebeul site for two years. In addition, Radebeul employees can make use of an existing daycare centre run by an external provider next to the company premises. On the school-free Day of Repentance and Prayer, the traditional Children's and Youth Day took place at the Würzburg plant. Koenig & Bauer has been a member of the Family and Work Alliance in the Würzburg region since 2006.

In earlier reports, only the number of departures at employees' own request at the main Group sites in Würzburg and Radebeul were included in the calculation of the staff turnover rate. In 2024, the total number of Group employees who left the company voluntarily or due to retirement, death or operational reasons in the reporting year was included in the calculation of the staff turnover rate. The Group staff turnover rate stood at 7.2% in 2024 (previous year: 6.7%). The average length of service at the main plants in Würzburg and Radebeul was 18.9 years in the year under review (previous year: 18.6 years).

Diversity

Koenig & Bauer attaches particular importance to the diversity of its workforce and is continuing to work on further enhancements in terms of gender, internationality and ethnicity, age, religion and world view, experience and qualifications under its diversity policy. We want to harness the potential arising from heterogeneous teams in the interests of sustained corporate development. In terms of internationality, we have already achieved a high degree of diversity thanks to our numerous global locations with employees of different nationalities. The Würzburg site was recognised by the University of Konstanz as a "committed training company in the field of integration". In terms of age structure, the following picture emerges in the Group: of the total employees in the Group, 27.9% are under 30 years of age, 39.9% are between 30 and 50 years of age and 32.2% are over 50 years of age (previous year: 18.7% under 30 years of age; 42.2% between 30 and 50 years of age; 39.1% over 50 years of age). As with many other mechanical engineering companies, the proportion of women in the Group is still relatively small at 14.7% (previous year: 15.0%) compared with other sectors. Various activities are being undertaken to further increase the proportion of female employees in our manufacturing company, including a targeted approach to women during girls' day, career fairs, internships and school visits. We also want to increase the proportion of women in management positions with special training and female mentoring programmes. In a programme carried out with the Bavarian Metalworkers' Association (bayme), we are encouraging skilled female employees with development potential to take on management tasks. At the end of 2024, female representation at the first and second management levels below the Management Board at the holding company Koenig & Bauer AG stood at 33.3% and 16.1%, respectively. While female representation at the first management level below the Management Board remained unchanged over the previous year, it was higher at the second management level (previous year: 13.8%).

Recruitment of and professional training for the next generation of skilled workers

In-house training is intended to meet the demand for qualified specialists in development, design, production, assembly, commissioning, service and commercial areas. The dual vocational training model can look back on a long tradition at Koenig & Bauer. The company's own state-recognised vocational training centre in Würzburg numbers among the climate schools in Bavaria and trains specialists by closely interlinking theory and practice. In the 156th year of its existence, it continues to enable modern learning and working. In addition to a well-equipped training workshop with various machine tools, all trainees have access to modern resources such as tablets. Via an internal website, they can use the tablet to access interactive operating instructions, e-learning, training documents, video tutorials and technical drawings. By scanning the QR codes, which are displayed on all machines, devices and containers in the vocational training centre, the trainees can view safety instructions and additional operation and handling information directly on their tablet. Apprentices gain a deep insight into the company's processes by working in different departments. Additional programmes such as exchange trips, seminars or stays abroad promote young people's professional skills as well as their personal development.

The next generation of skilled workers is being recruited from all types of schools, while opportunities are also deliberately being given to those with lower grades. At career, vocational and job fairs as well as internal events such as the career information day and the information week with an open training day, we are committed, with the active support of our current apprentices, to arousing more people's interest in the prospect of working at Koenig & Bauer. Via close co-operation with regional schools, various school events such as career orientation days provide an opportunity to discover more about training opportunities and careers at Koenig & Bauer. In addition to these tools, we are using our website and social media to recruit young talent. In this way, school-leavers can gain insight into what a traineeship with the company entails together with the training syllabus and methods. In addition to the various opportunities for learning more about apprenticeships at Koenig & Bauer, we offer technically or commercially oriented work placements for school students for early career orientation for when they leave school. All internships are structured in such a way that the school students can try things out for themselves and acquaint themselves with the apprenticeship professions at the company. A number of undergraduates are completing their theses at Koenig & Bauer or attending internships or practical semesters at Koenig & Bauer. In addition, the company offers placements for undergraduates to acquaint them with the world of work at Koenig & Bauer.

As of 31 December 2024, the number of technical and commercial apprentices, including interns, stood at 449, significantly up on the previous year's figure of 400. The Group-wide training ratio rose accordingly to 8.0% (2023: 7.0%). Mechatronics technicians, industrial mechanics and IT specialists are the largest occupational groups among the apprentices. The training figures include dual students who complete their practical phases at the Group locations in addition to attending university. Koenig & Bauer apprentices at the various Group locations regularly occupy top positions in the final examinations held by the Chamber of Commerce and Industry. They are a good indicator of the acknowledged high quality of the Group-wide training centres. Of the numerous trainees who completed their training in 2024 with a top grade, one mechatronics technician was named the best in the state of Saxony and one industrial clerk the best in the Dresden administrative district. Five trainees received the "Top Apprentice in the Saxon Metal and Electrical Industry" prize of honour in the "Industrial Electrical Trades" and "Industrial Metal Trades" categories awarded by the Sachsenmetall employers' association together with the Johann Andreas Schubert Foundation. This was the 24th time that the Radebeul plant was among the companies honoured with this recognition – more than any other member company. Upon successful completion of their apprenticeships, the future specialists face good career prospects.

Systematic personnel development

Two years after its foundation, the Koenig & Bauer Academy (hereinafter referred to as the Academy) is firmly established within the Group as a provider of Group-wide people development activities. The Group strategy and the personnel and skills development guidelines derived from it form the basis for the programme offered by the globally oriented Academy. At the Koenig & Bauer stand at drupa 2024, the Academy presented its extensive training programme with the latest training courses and its learning and development strategy to visitors from around the world.

In line with the Group's objectives, the Academy concentrates in particular on systematic talent management, target group-specific personnel development programmes, upskilling and reskilling as well as individual personal development. Organisational development in the form of change and transformation support is increasingly becoming a priority in the Academy's programme. Our learning culture and efforts to ensure equal treatment of our employees, to promote diversity and to provide support for this are reflected in the wide range of programmes on offer.

Our employees at all consolidated Group companies, including the global sales and service companies, can make use of the Academy programme. From technical/product-related and digital skills to interdisciplinary soft skills and leadership and management competences, interested parties can find solid advice and relevant learning and development opportunities. The Academy programme is accessible via our Koenig & Bauer Online Campus learning management platform (hereinafter referred to as the Campus). All training management services are handled via this system, including in particular the allocation of learning elements, the management of development programmes and the rollout of personnel development tools such as annual employee appraisals, coaching and mentoring. There are transparent processes available for users utilising personnel development tools and all optional and mandatory qualification elements.

Our approach to practice-oriented personnel development is particularly evident in our target group-specific multi-part programmes, which are carried out regularly and in some cases with external trainers and external certification. The Customer Value Selling Programme with certification as a Trusted Advisor was rolled out for sales employees in the year under review and attended by around 300 sales experts worldwide in the run-up to the drupa trade fair. A sales programme for sales employees based on this is currently being developed. Looking forward, STEP (Special Technical Experts Programme), which is equivalent to JUMP (Junior Management Programme), is being developed for the target group of technical experts. The Campus of Experts lecture series is organised by Koenig & Bauer experts from a wide range of fields. In the year under review, 400 employees from across the Group attended the wide range of lectures.

Thanks to worldwide collaboration within the Academy network, experts from all disciplines help to shape and develop the Academy's portfolio and provide employees with new and important know-how. All employees have access to the online catalogue via a personal profile, where they can view the training courses available to them. In addition to traditional face-to-face sessions, the training and development programme includes live online training as well as a constantly growing library of E-learning formats. The extensive range of training offered by the Academy is communicated via newsletters, the Academy magazine, its own website as well as at events, training courses and in personal discussions.

Mandatory training on matters such as compliance and export control is assigned to employees directly in their individual training plans at the campus to ensure attendance. Every employee can apply for voluntary courses from the online catalogue, which can be approved by managers directly in the system. The system documents each employee's education history and sends reminders of upcoming training sessions. In addition, managers are asked to register employees for training programmes. In addition to 2,400 face-to-face training sessions (2023: 2,300), 28,320 e-learning sessions, including the 520 self-learning online courses, were held in the year under review (2023: 20,700). Accounting for 9,870 online training courses (2023: 7,750), compliance training is a very important aspect of e-learning. In addition, there is a wide range of technical and other training and further education courses as well as specialist training such as forklift driving licences, first aid courses etc. On top of this, we support in-service further training of our employees, allowing them to qualify as technicians, specialists and business economists, and, if desired, also offer them master training.

We have implemented systematic talent management step by step to enable management positions to be filled internally. Employee motivation through appropriate prospects, employee loyalty and, last but not least, heightened employer attractiveness are the key drivers here. Development assessments and calibrations, in which managers and junior staff undergo a differentiated potential analysis process, are a central element of talent management. In a subsequent internal calibration phase, these results are supplemented with assessments by immediate supervisors, while management and individual development plans with further training measures are drawn up. Vacancies are filled from this group of young talents in regular coordination rounds for each business unit with Management Board members and managing directors.

Twelve employees took part in JUMP for junior managers in the year under review. The number of participants in the middle management special leadership programme stood at 22 in 2024. Further management training courses on topics such as addiction prevention, labour law, occupational medicine and company integration management were attended by a total of 160 managers. Encouraging young women to take on management responsibility and assume leadership roles is very important to us and is being intensified, including through mentoring and coaching. New employees complete a digital onboarding process, which helps them to find their way around the company and familiarises them with its corporate culture. In the year under review, 100 new employees took part in the onboarding process, which included a factory tour, making their first networking contacts here.

The Academy and the Campus have implemented the framework and tools for in-company personnel development and training in the Group and these are being increasingly used and continuously developed. All in all, the personnel development measures and initiatives outlined above promote a global leadership and learning culture, which in turn is a decisive success factor for transformation.

Health and safety

The health and safety standards at the production plants in Würzburg, Radebeul and Dobruška are certified in accordance with DIN ISO 45001:2018. Various measures are being taken to achieve further improvements in safety and ergonomics. Regular checks and consultations are held to monitor compliance with health and safety regulations and to make recommendations for optimising work processes. By avoiding non-ergonomic movements and heavy lifting, it is possible to minimise illness and accidents. The hazard assessments are updated regularly. Regular instruction and training seek to raise employees' awareness of any hazards that may arise.

9.6 accidents per 1 million hours worked (previous year: 10.5) with lost working time of one day or more for the core workforce were registered in the year under review at Group workplaces. In earlier reports, the accident frequency rate only included the main plants in Radebeul and Würzburg. We performed extensive analyses of these incidents as a basis for defining preventive measures and providing training for reducing workplace accidents compared to the previous year. At the same time, the monthly report on accident frequency rates by business unit and department facilitates the development of targeted responses. Potential hazards are addressed and highlighted in special monthly campaigns.

Workplace health promotion and prevention as well as comprehensive health management also enjoy high priority at Koenig & Bauer. The various programmes are managed and implemented by human resources management and by the Koenig & Bauer in-company health insurance fund (Koenig & Bauer BKK), which is organised as an autonomous public-law entity. As part of company integration management, HR management offers employees at various business units who have been on sick leave for more than 30 days in the past year a confidential meeting via a personal invitation to discuss possible measures to overcome or prevent incapacity and maintain their performance at the workplace. A health team was established at the Radebeul site under the motto "Promoting health together". Top priority is being given to workplace ergonomics, the prevention of musculoskeletal disorders and regeneration management. In the year under review, the health team expanded the programme to include hikes.

In addition to the diverse activities and offers including health courses and vaccinations, counselling and training are a further priority with which health skills are taught, while employees are encouraged to work in a health-conscious and ergonomic manner and to avoid stress. Support is also available from addiction officers for all questions relating to addictive substances and alcohol consumption. Courses were held for the apprentices under a health promotion programme tailored to their needs to raise awareness of such concerns as hearing loss caused by high noise levels, addiction prevention and the avoidance of muscle/skeletal diseases. To strengthen the mental health of apprentices and teachers, the analogue/digital You!Mind service is offered by the Koenig & Bauer BKK health insurance fund. The active weeks in selected health resorts are a special type of preventive health promotion with individual programmes to maintain or restore performance and well-being. Hearing tests, vein screenings with evaluation and on-site counselling as well as resilience webinars are among the other services on offer. Regardless of where they live, employees suffering from mental illnesses receive a qualified initial diagnosis within 14 days through the in-company health insurance fund's ProPsych programme. If the initial diagnosis indicates the need for a medical response, the employee concerned receives psychotherapeutic treatment within a further 14 days. Special behavioural therapy for sustainable weight loss in the event of obesity is also offered under this programme. As well as this, a workshop on dealing with mentally stressed employees was organised for managers at the Industrial production company in the reporting year. The aim of the "BGM-innovativ" programme held at the Würzburg and Radebeul sites is to provide coordinated care for at-risk and ill employees suffering from musculoskeletal disorders in order to avert illness or to prevent it from becoming chronic, to shorten the duration of the illness and absences and to maintain working capacity permanently. In addition to various sports such as functional training, full-body training with CrossFit and high-intensity interval training, yoga classes are included in the Koenig & Bauer BKK programme, which take place in hybrid form, both at the plant and online. Children of the employees insured with the Koenig & Bauer BKK in-company health insurance fund receive subsidies for swimming lessons. Special projects are organised to provide regular information on the importance of preventive care for the most common types of cancer, such as skin, colon and lung cancer. In addition to webinars and sticker campaigns, lung and skin screenings are offered. Flyers were distributed on the nationwide Dental Health Day together with a give-away. Support for company sports festivals, the participation of employees in company runs and other team events promote health and strengthen team spirit.

Social aspects

Koenig & Bauer attaches great importance to social responsibility and has a long tradition of doing so. Even before social security was introduced in Germany, the company had already established the predecessor of our in-company health insurance fund in 1855. The disability, widow's and orphan's fund founded in 1873 still exists today. As part of our commitment to the community, we are currently promoting social and cultural projects as well as various initiatives to preserve and protect the environment.

Social commitment of Koenig & Bauer and its employees
At Koenig & Bauer, social and cultural commitment includes sponsoring and donation activities. The Group sponsoring and donations policy governs its basic approach to these matters and defines a consistent process throughout the Group, including approval rules.

In addition to annual support for the Africa Festival in Würzburg, Koenig & Bauer as the main sponsor provides financial resources for social projects. Koenig & Bauer MetalPrint organises an annual fundraising campaign in the form of an employee raffle, with the proceeds going to a children's and young people's hospice in Stuttgart, with the company doubling the amount donated. In addition to this social commitment, we also fund projects aimed at promoting climate protection and encouraging the sustainable use of resources. Sponsored by Koenig & Bauer, the Print & Media Award for the environmentally oriented company of the year recognises printing companies' ecological commitment. The Green Dot Award initiated by Koenig & Bauer honours international leaders from the global printing industry who have made outstanding innovative contributions to sustainable printing with their special ideas and commitment. The Green Dot winner receives €10,000 in prize money, while a further €10,000 is donated to a sustainability project of their choice. After the first one in 2022, the next Green Dot Award was presented at the drupa trade fair in Düsseldorf in May 2024. Richard Lim, COO of the Hung Hing Printing Group in Hong Kong, was the 2024 award winner. As part of its "Decarbonisation Journey", the Hung Hing Printing Group, one of the leading providers of printing solutions in Asia, is dedicated to generating its own electricity from PV systems and is committed to electrification, sustainable substrates and efficient waste management.

Managers and employees make a contribution to the community through their voluntary activities at the Chambers of Industry and Commerce and the Chambers of Crafts, as honorary judges at the labour and social courts, in emergency-assistance organisations such as the Federal Agency for Technical Relief, the fire brigade and the rescue service, as well as in city and municipal councils. In individual cases, employees are released from work by Koenig & Bauer so that they can pursue these voluntary activities. In addition to the above-average training rate by industry standards, our social commitment is also reflected in the initial measures that were introduced in the year under review to make training courses at the Koenig & Bauer Academy available to external companies. In the long term, this will help to expand the Academy's activities outside the Group and additionally strengthen the partnership with external parties. At the Würzburg plant, employees can purchase a wide range of used cabinets, desks, various metal parts and even monitors, depending on availability. In addition to conserving resources and the environment through the private re-use of these items, the employees make a donation to support the company's widows and orphans fund in this way.

Activities against racism and discrimination
As a global printing press manufacturer, Koenig & Bauer has always stood for cosmopolitanism and tolerance. Our core workforce includes people who have fled their home countries for political or religious reasons. Some have completed their vocational training at Koenig & Bauer, others have directly started their careers here. At our Radebeul site, we support "Wirtschaft für ein weltoffenes Sachsen" ("Business for a Cosmopolitan Saxony") by taking specific measures to assist and promote the integration of newcomers and immigrants in the local economy.

High product quality for greater on-site and process safety in printing operations
Koenig & Bauer attaches great importance to the quality of its products and services. Reflecting this, the quality management system aims at achieving ongoing compliance with the highest quality standards in the

production and assembly of the company's bespoke, innovative and complex products. The quality management systems at the production plants in Radebeul, Würzburg and Dobruška, at the Sheetfed business unit in Radebeul, at the Security business unit at the three sites in Würzburg, Lausanne and Mödling and at the Coding business unit in Veitshöchheim are certified in accordance with DIN EN ISO 9001:2015. Product development focuses on work and process safety, reliability and user-friendliness.

Commitment to human rights

Integrity in our business activities in our role as an employer and as a supplier and recipient of products and services as well as respect for human rights are components of our corporate policies. These principles were summarised in a Group-wide Code of Conduct in 2011. One of the guiding principles of our corporate policy is the United Nations Framework on Business and Human Rights ("protect, respect and remedy").

Koenig & Bauer expects its suppliers to comply with the company's corporate principles in addition to observing all applicable laws and regulations as well as international and industry standards. With the incorporation of the human rights principles in the Koenig & Bauer framework contracts and terms and conditions of purchase as well as the systematic observance of these requirements in the course of business activities, business partners are encouraged to acknowledge and respect human rights in the same way as the company. By signing the purchasing conditions, suppliers particularly undertake to refrain from using child labour and forced labour and to avoid all forms of discrimination. The purchasing conditions impose on external business partners a duty to respect employee rights and to observe labour law. The code of conduct for suppliers, which is required in addition to the terms and conditions of purchase, details the requirements set out in the contract documents. The code of conduct for suppliers also stipulates the observance of statutory and contractual quality and safety standards as well as environmental standards particularly in connection with the use and processing of hazardous substances. In the year under review, we revised our code of conduct for suppliers to ensure that our suppliers, like Koenig & Bauer itself, are committed to a more sustainable economy, to encourage the relevant persons to report possible breaches of regulations and to protect whistleblowers from any reprisals.

The code of conduct also imposes on suppliers a duty to provide information on request concerning the observance of human rights, the ban on child labour, minimum wages, business integrity, health and safety and sustainability, and to allow audits to be carried out. We have installed different processes to verify our suppliers' compliance with the required principles initially and on an ongoing basis. A supplier qualification process must be completed whenever a supplier relationship is approved for the first time or re-established. As part of the onboarding process, new suppliers must sign the code of conduct or enter into an equivalent contractual agreement with Koenig & Bauer. The initial screening of potential suppliers during the selection process includes at least one self-assessment in the form of a questionnaire, in which they must also provide information on their practices for ensuring compliance with human rights and environmental standards. Further measures are initiated on the basis of the results of the self-assessment and an internal risk assessment. These can include a request for certificates, evidence of the avoidance of human rights risks or environmental risks, audit procedures or an on-site inspection. As part of the ongoing review of the partnership in the form of supplier audits, a sample is taken from existing suppliers.

The revised code of conduct incorporates the elements of the Supply Chain Due Diligence Act aimed at preventing violations of human rights in supply chains. These include aspects such as fair competition by preventing corruption, fraud and cartels, occupational safety and health, environmental protection and equal treatment and anti-discrimination. We ensure compliance with these principles by means of guidelines, processes, controls, training, standard contracts and other monitoring activities. These goals are supported by the concentrated sourcing of goods and services from the DACH region.

On the basis of the statutory obligations under the Supply Chain Due Diligence Act, we have developed a model for analysing and addressing the relevant risks have documented it in a central instruction. The policy statement on the implementation of the requirements under the Supply Chain Due Diligence Act is published in the Compliance section of the corporate website. Every year, we carry out a risk assessment according to a defined process. The Central Purchasing department, which is responsible for all purchasing in the Group and is located in the holding company, analyses the data of all suppliers and, in a preliminary step, lists all countries from which goods or services above a threshold of €5,000 have been purchased directly across the Group in the last 24 months. The Compliance department calculates a risk score for each direct source country on the basis of twelve publicly accessible indices published by NGOs. To achieve a systematic scaling of the country-specific risk potential, a risk score of between one and three is assigned to each country for all of the twelve indices in relation to the legal interests to be protected. A risk score of one indicates a low country risk, two a medium country risk and three a high country risk. If no index-specific value was available for a country, a risk score of three was applied as the basis for further calculation. After all twelve index-specific country risks have been determined, a risk score is determined for each direct supplier country. This indicates the extent to which human rights and environmental risks may occur along the supply chain at the country level.

After all country-specific risk scores have been determined, a global average risk score is calculated. This score, which is recalculated annually, forms the basis for further risk analysis at the supplier level. All suppliers from critical countries whose risk score is up to 25% above the average international score undergo a separate audit. After an analysis of the results and approval of the risk assessment, a meeting of the committee consisting of representatives from Central Purchasing, Corporate Responsibility, Compliance and Quality Management as well as the Human Rights Officer is held to identify the suppliers from the critical countries to be audited, as well as a plan of action with an audit roadmap and deadlines for high-risk suppliers. The progress reports containing the results of the evaluation and measures implemented are discussed at further meetings of the Audit Committee. Depending on the risks identified, the risk-minimisation action plan can include a qualified self-assessment with internationally recognised documentary evidence or certificates, an on-site audit or an unscheduled audit in the event of any suspicious activity reported. Furthermore, the Audit Committee determines the date by which the suppliers that are classified as risk-exposed must be audited. Measures to reduce or eliminate identified risks may include further awareness-raising activities and a declaration of undertaking by suppliers to respect human rights and the environment, closer monitoring of suppliers, agreement with suppliers on concrete action plans to reduce risks and, in cases in which there is a persistent risk to the protected interests, a reduction in or the discontinuation of the relationship with the supplier in question. The implementation of the defined measures and their effectiveness are monitored by the Human Rights Officer.

The risk analysis also includes information from employees and third parties on potential violations, dangers or grievances, the failure of business partners to comply with human rights and environmental protection requirements, which can also be reported anonymously via the whistleblower system. Based on a written report received in 2023, we carried out an event-driven risk analysis in accordance with Section 5 (4) sentence 1 of the Supply Chain Due Diligence Act with a survey and other test procedures. However, this did not confirm the existence of a suspected potential violation of due diligence obligations to prevent human rights violations in supply chains.

Anti-corruption and anti-bribery

Corruption and inadequate measures to combat it deprive the economies concerned of billions of euros every year and have considerable and far-reaching consequences for governments, citizens and the economic and social development of civil societies. International studies have shown that the impact of ongoing corruption not only leads to lower prosperity, but also has a significant adverse impact on respect for human rights and protection of the environment. Corrupt societies generally have a lower level of participation and labour rights, access to care facilities and systems, equal rights, equal access to education, work and equal pay and non-discriminatory lifestyles. In addition, necessary measures or internationally recognised standards or agreements to protect the environment, resources or biodiversity are often undermined as a result of corruption. It is universally acknowledged that the fight against corruption is a joint task for all stakeholders, particularly politicians, international organisations, civil society, but especially all economic players and therefore companies.

Due to the impact of corruption on human rights and the environment, the continued fight against and prevention of corruption forms an intrinsic part of Koenig & Bauer's corporate strategy. We attach key importance to responsible, sustainable and long-term value creation. We regard integrity and compliance with the law in business transactions as indispensable and pursue a zero-tolerance doctrine in this respect. For this reason, Koenig & Bauer's Code of Conduct, which applies to all subsidiaries, explicitly states that there is no trade-off between the company's commercial interests and its duty to follow the law, and that we would rather forego an order or the achievement of internal objectives than violate any laws and regulations.

Compliance management system – control and monitoring

The Group-wide compliance management system (CMS) creates the basis for ensuring that business practices satisfy the highest compliance and integrity standards. Since 2023, all relevant German subsidiaries of Koenig & Bauer have been certified in accordance with ISO 37001 (anti-corruption management), with Koenig & Bauer Banknote Solutions SA (Lausanne, Switzerland) added in 2024 as the first foreign subsidiary. The content and activities of the compliance organisation as well as internal processes and controls are continuously reviewed and enhanced to address any relevant organisational changes or changes to the legal situation. A compliance plan is agreed with the Management Board and the Audit Committee of the Supervisory Board at the beginning of the year in order to monitor the functionality and further development of the CMS. To this end, the compliance plan also defines measurable objectives (KPIs) for the CMS. The following KPIs are currently defined:

- Ratio of compliance training completed at the Koenig & Bauer Campus
- Ratio of compliance onboarding for new employees as part of the Welcome Days
- Number of compliance reviews carried out at Koenig & Bauer subsidiaries
- Percentage coverage of acceptance of Koenig & Bauer's business principles by relevant suppliers
- Rate of signed compliance declarations by relevant employees

Decisions on the modification of KPIs or the inclusion of additional ones are made during annual compliance planning.

The CMS is designed to prevent violations of laws, standards or internal policies. A regular compliance risk analysis forms the basis for the organisation and processes. More detailed stakeholder and risk analyses are carried out to intensify the analysis of special risks, such as corruption prevention and money laundering. In addition to monitoring changes in the law and reported compliance risks, one component of the risk assessment entails the continuous sharing of information with those responsible for the subject areas, processes and controls of the Koenig Bauer Group companies defined as essential in the Group's Corporate Compliance policy. For this purpose, a compliance team has been set up and is composed of representatives from information technology, human resources, accounting, taxes, data protection as well as the local compliance officers. In 2021, all subsidiaries additionally submitted for the first time a standardised report on their compliance situation as part of the fixed agenda of the meetings of the relevant supervisory bodies (e.g. boards, shareholder assemblies, supervisory boards, governance bodies).

Policies and processes

Guidelines have been issued and the necessary processes established on the basis of the risk analysis results to ensure compliance and integrity in all business activities. Any changes that are identified in the risk situation or requirements are addressed by duly modifying the internal guidelines. The Code of Conduct rolled out across the Group, the rules on the compliance organisation and the relevant Group guidelines are available to all employees in their most recent version in the guidelines portal on the Koenig & Bauer intranet.

Certifications

The CMS attaches crucial importance to combating corruption and bribery. For this reason, Koenig & Bauer AG and all relevant German subsidiaries have been certified in accordance with ISO 37001 (anti-corruption management). Companies were defined as relevant if they engage in sales, service and procurement activities. This does not apply to companies that perform solely production or administrative activities, e.g. holding companies or management companies. In addition to the extended accreditation with the Banknote Ethics Initiative (BnEI) in the year under review, Swiss-based Koenig & Bauer Banknote Solutions SA was certified in accordance with ISO 37001 (anti-corruption management). The ongoing certification efforts also reflect Koenig & Bauer's clear commitment to promoting fair competition.

Training

The defined compliance and integrity standards can only be fully effective if employees are aware of and observe them. For this purpose, ten online training sessions on the compliance issues identified as important on the basis of the risk analysis and the code of conduct are currently available throughout the Group. Where necessary, which was most recently the case in 2023, the content of the training courses is revised and restructured to reflect the current legal situation and company organisation on the one hand and to incorporate the knowledge held by employees after completing the first training cycles on the other. Available in several languages, they are mandatory for every new employee. The Koenig & Bauer Campus training management system, which is based on SAP SuccessFactors, automatically ensures that training is carried out within the cycles determined according to the risk criteria of the employee's specific position. Compliance with this requirement is monitored through regular reminders and escalation processes. Following the initial allocation of online training via the Koenig & Bauer Campus at the end of 2017, a total of over 6,000 Koenig & Bauer employees completed compliance training directly related to anti-corruption measures. In the training cycle rolled out for 2024, the participation rate for anti-corruption management training reached almost 74%. The proportion of Koenig & Bauer employees who have received anti-corruption training has thus increased to almost 94%. The Koenig & Bauer Campus has since been rolled out across all 50 relevant subsidiaries, meaning that almost all employees in Europe, Asia, North and South America can attend compliance training via the Koenig & Bauer Campus. Companies were defined as non-relevant if they have no independent operating business activities or are made up exclusively of personnel who also have parallel employment relationships in consolidated companies, e.g. in holding or management companies. In addition, face-to-face training sessions are organised as part of the onboarding events for new employees and on-site visits by compliance officers to subsidiaries as required.

Monitoring and whistleblower system

The preventive CMS measures are complemented by a regular review of their effectiveness to identify potential for improvement. In addition to tracking the agreed KPIs for the CMS, internal and external compliance assessments in particular are carried out periodically at Koenig & Bauer AG and its subsidiaries for this purpose. In addition to the companies included in the scope of ISO 37001, this concerned the Koenig & Bauer companies in China (business unit coding) as well as Mexico and Argentina (business unit banknote solutions).

The internal whistleblower system, which had been in place since 2017, was replaced in 2022 by a new online platform that will continue to ensure that potential compliance violations can be reported by employees anonymously and – in contrast to the original system – additionally also by third parties. The whistleblowing system also includes a case management function, thereby ensuring full documentation of the actions taken to follow up on the tips received. As well as this, it contains a feedback channel to the whistleblower notifying him or her of the receipt of the report and the status and outcome of the inquiries. Moreover, the system allows for requests for further information or evidence to be made even if the whistleblower wishes to remain anonymous. Under the Group policy, all suspicions are followed up consistently and, if necessary, disciplinary or legal action taken. The platform and the processes for the internal investigation of reports were expanded in both 2023 and 2024 to fully comply with the German Whistleblower Protection Act and the transposition laws under the EU Whistleblower Protection Directive (Directive (EU) 2019/1937) enacted in the respective EU member states. The reporting channel is communicated through training courses, the intranet, notices and on Koenig & Bauer's compliance website. The external reporting centre set up in Germany at the Federal Cartel Office was included in communications to employees. Several reports received in 2024 from various subsidiaries prove that the platform is known and accepted. The systematic follow-up applies equally to reports from the media or authorities regarding potential legal violations by Koenig & Bauer companies. In such cases, cooperation is sought to clarify the circumstances. Koenig & Bauer complies with all reporting or cooperation duties.

Collective actions and commitment to fighting corruption

Koenig & Bauer is also committed to fighting corruption and encouraging compliance beyond its own business activities. Since its foundation in 2013, the Banknote Ethics Initiative (BnEI) has established a clear code to prevent and combat corruption and anti-trust violations in the field of banknote printing and trading. The principles espoused are not only recognised among the members of the BnEI but are also adopted by a significant proportion of central banks and banknote printers worldwide. As a founding member of the BnEI, Koenig & Bauer Banknote Solutions has agreed to be bound by the rules of conduct and transparency, compliance with which is verified under the accreditation to be renewed every three years on the basis of an audit programme developed by the BnEI. The accreditation audit was held at the end of 2023 as scheduled, with accreditation duly received in February 2024.

Via the KBA-NotaSys Integrity Fund, which was founded in 2017, Koenig & Bauer financed international projects to enhance compliance processes and culture. The fund supported a total of 45 projects initiated by univer-

sities, associations and institutions in Europe, South America and Africa, including Transparency International, the German Institute for Compliance (DICO), the German Institute for Efficiency Testing (DIEP) and various Swiss and German universities. A total amount of €5m was allocated.
The Integrity Fund was formally closed on 31 December 2022. However, projects that have already been awarded continued until the contractually agreed deadline in 2024. The Integrity Europe Conference, which was partly financed by the fund, was repeated after 2023 in November 2024. It establishes a format that did not yet exist in Switzerland before 2023, enabling an interdisciplinary exchange of international representatives from academia, business, advocacy practice and the authorities.

Further details of the compliance management system can be found in the compliance section of Koenig & Bauer's website.

The ongoing analysis of possible compliance risks is a decisive prerequisite for the company's ability to continue meeting the standards of rule-based business conduct and integrity defined in the code of conduct and the Group guidelines. The analyses and assessments carried out in the individual divisions in 2024 and the findings from internal investigations did not reveal any new compliance risks. Relevant processes and controls were adapted and expanded to address the shortcomings identified and workarounds as well as the changed legal requirements.

There are no reasons to assume that Koenig & Bauer's CMS in its current form is not appropriate and effective for the Group's risk situation.

Disclosures on the EU taxonomy

The EU Taxonomy Regulation is an integral part of the European Commission's Action Plan on the Allocation of Capital Flows to Sustainable Economic Activities. As a classification system for ecologically sustainable economic activities, the EU taxonomy rules mark a significant step towards achieving the EU objective of climate neutrality by 2050. The taxonomy focuses on six objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems.

The following information is based on the Taxonomy Regulation (EU) 2020/852. We have also adopted the delegated act on the first two environmental objectives of climate change mitigation and adaptation (Commission Delegated Regulation (EU) 2021/2139 on the technical screening criteria pursuant to Articles 10 and 11 of the Taxonomy Regulation, hereinafter referred to as the Climate Law Act), the delegated act on the reporting obligations under Article 8 of the Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2178) and the minimum protection under Article 18 of the Taxonomy Regulation. Our comments are also based on the additions made by Commission Delegated Regulations (EU) 2023/2486 and (EU) 2023/2485, including with regard to the inclusion of the four non-climate-related environmental objectives in the reporting obligations and new economic activities in the Climate Law Act. In accordance with the amendments to the delegated act on Article 8 of the EU Taxonomy Regulation, a phase-in period had been available in 2023 for environmental objectives 3-6 and for newly added activities to the European Climate Law. Accordingly, only disclosures on taxonomy eligibility were required. However, no taxonomy-eligible revenue, CapEx and OpEx were reported for environmental targets 3-6 and for the activities newly included in the Climate Law. The reporting obligation also takes into account Commission Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 with regard to economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 with regard to specific disclosure requirements for these economic activities. Koenig & Bauer does not engage in any business activities in connection with nuclear energy and fossil gas listed in the annexes to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022. The first table of the reporting forms shown in Annex III for 2024 is presented at the end of the section entitled "Disclosures on the EU taxonomy".

As in previous years, we have analysed the economic activities of categories 3.6 with regard to the first environmental objective of climate change mitigation (CCM). "Production of other low-carbon technologies", 7.3 "Installation, maintenance and repair of energy-efficient appliances" and 7.6 "Installation, maintenance and repair of renewable energy technologies" were determined with regard to their potential taxonomy eligibility and corresponding contributions identified. With regard to both the second environmental objective concerning adaptation to climate change and the four non-climate-related environmental objectives (protection of water and marine resources, strengthening the circular economy, reducing pollution and protecting biodiversity), the analyses carried out did not identify any potentially taxonomy-eligible economic activities with a significant contribution to these five environmental objectives. There was also no relevant capital expenditure in the year under review with regard to the economic activity "1.2. Production of electrical and electronic equipment" in the context of the EU environmental objective of transitioning to a circular economy. Under the disclosure obligations, the shares of taxonomy-eligible and non-taxonomy-eligible and taxonomy-aligned and non-taxonomy-aligned economic activities in 2024 in total revenue, capital expenditure and operating expenditure from the Group's activities are also disclosed with regard to the environmental objective of climate change mitigation. Based on the analysis performed, the revenue, capital expenditure and operating expenditure could be clearly allocated to a taxonomy-eligible economic activity. In order to avoid duplication, a taxonomy-eligible activity was only disclosed if it was not already included under another activity.

Taxonomy-eligible revenue
The taxonomy-eligible share of Group revenue is defined as the portion of net revenue in 2024 that comes from products in connection with taxonomy-eligible economic activities (numerator), divided by consolidated net revenue in 2024 (denominator). Our Group net revenue of €1,274.4m is presented in the consolidated financial statements on page 65 of the 2024 annual report in the line Revenue. Further details on our accounting policies for Group revenue can be found on pages 80 et seq. of the 2024 annual report.

Based on the classification of our economic activities according to NACE codes 28.29 and 28.99, we applied the requirements of CCM 3.6 “Production of other low-carbon technologies” as a basis for identifying taxonomy-eligible revenues. With regard to the environmental objective of climate change mitigation, we have classified revenue from products or product groups as taxonomy-eligible if the printing presses and systems also aim to significantly reduce carbon emissions for our customers in the printing and finishing industry due to the technology in use and these do not already fall under Sections 3.1 to 3.5 of Annex I of the Climate Action Act. Under environmental concerns in the chapter entitled “Ecological printing technology”, we present in detail the technologies or printing presses developed to reduce carbon emissions in the printing process. These include VariDryBlue drying for sheetfed offset presses, the HighEcon and EcoTNV dryers for metal decorating presses, the PowerSave unit, LED technology for curing inks in the press and targeted adjustment of the stencil size for banknote presses. We then aggregated the revenue determined in the accounting departments of the Group or the respective business units for each product or product group classified as taxonomy-eligible. Revenue of €460.8m (2023: €365.3m) was generated in 2024 from press technology for banknote printing, sheetfed offset presses equipped with VariDryBlue drying technology and metal printing systems and components delivered with TNV technology.

Taxonomy-aligned revenue

To identify taxonomy-aligned revenue, we first analysed the technologies classified as taxonomy-eligible, or the corresponding products and product groups, to determine whether they contribute to a significant saving of greenhouse gas emissions during use of the product over the entire lifecycle of the press compared to the best-performing reference technology available on the market. In doing so, we consistently followed the relevant EU regulations for CCM 3.6 “Production of other low-carbon technologies” with a focus on reducing greenhouse gas emissions in the user industries and applied internationally recognised standards for calculation. The life cycle greenhouse gas emissions for the most efficient alternative technology available on the market could not be calculated, as we were unable to provide valid evidence or publicly available energy consumption data for competing presses. In 2022, tenders for banknote printing presses were published on the Internet with energy data confirmed by the only competitor in the press class. The content of tender invitations depends on customer requirements and differs in the case of banknote printing presses due to the fact that customers vary considerably from year to year. As a result, no taxonomy-aligned revenue in CCM 3.6. “Production of other low-carbon technologies” was reported in the year under review.

Figure: Share of revenue from goods or services associated with taxonomy-aligned economic activities – disclosure for 2024

Revenue		2024 Financial year		Criteria for a material contribution					
Economic activities (1)	**Code (2)**	**Revenue (3) €m**	**Share of revenue 2024 (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water (7) Y; N; N/EL**	**Environmental pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biological diversity (10) Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1 Ecologically sustainable activities (taxonomy-aligned)									
Revenue from ecologically sustainable activities (taxonomy-aligned) (A.1)									
Of which enabling activities									
Of which transitional activities									
A.2 Taxonomy-eligible, but not ecologically sustainable activities (non-taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Production of other low-carbon technologies	CCM 3.6	460.8	36.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Revenue from taxonomy-eligible, but not ecologically sustainable activities (non-taxonomy-aligned activities) (A.2)		460.8	36.2	36.2%	0%	0%	0%	0%	0%
A. Revenue from taxonomy-eligible activities (A.1 + A.2)		460.8	36.2	36.2%	0%	0%	0%	0%	0%
B. Non-taxonomy-eligible activities									
Revenue from non-taxonomy-eligible activities		813.6	62.8						
Total		1,274.4	100						

DNSH criteria (“Do no significant harm”)									
Climate change mitigation (11) Y/N	**Adaptation to climate change (12) Y/N**	**Water (13) Y/N**	**Environmental pollution (14) Y/N**	**Circular economy (15) Y/N**	**Biological diversity (16) Y/N**	**Minimum protection (17) Y/N**	**Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) revenue in 2023 (18) %**	**Category Enabling activity (19) E**	**Category Transitional activity (20) T**
							27.5		
							27.5		
							27.5		

Explanation of abbreviations:

Y - Yes, taxonomy-eligible activity aligned with the relevant environmental objective
N - No, taxonomy-eligible activity but not aligned with the relevant environmental objective
EL - eligible, taxonomy-aligned activity for the respective environmental objective
N/EL - not eligible, activity not taxonomy-eligible for the respective environmental objective”

Tables according to footnote (c) of Environmental Delegated Act Annex V

	Proportion of revenue/total revenue	
	aligned per objective	eligible per objective
Climate change mitigation (CCM)	0%	36.2%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Environmental pollution (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0 %	0 %

Taxonomy-eligible capital expenditure

In order to identify the taxonomy-eligible proportion of capital expenditure, the investments determined by Group accounting in accordance with IFRS are placed in the denominator. This amount can be derived from the additions column in the consolidated statement of changes in assets on page 84 of the 2024 annual report. It includes additions to property, plant and equipment and intangible assets during the year before depreciation and remeasurements, including those resulting from remeasurements and impairments for 2024 and excluding changes in fair value. In addition to additions to fixed assets (IAS 16) and intangible assets (IAS 38), additions to right-of-use assets (IFRS 16) are also included, as are additions to property, plant and equipment and intangible assets resulting from business combinations.

The first partial value of the numerator for determining the taxonomy-eligible share of capital expenditure includes the investment in an energy-efficient foundry melting operation (climate change mitigation activity CCM 7.3 “Installation, maintenance and repair of energy-efficient equipment”) at the Würzburg site and measures for reducing energy consumption or increasing energy efficiency at the factory buildings. The climate change mitigation activity CCM 7.6 “Installation, maintenance and repair of technologies for renewable energies” includes investments in photovoltaic systems. The investments coming under categories CCM 7.3 and CCM 7.6 are classified as taxonomy-eligible capital expenditure in accordance with Section 1.1.2.2. (c) of Annex I of Commission Delegated Regulation (EU) 2021/2178 on the disclosure obligations under Article 8 of the EU Taxonomy Regulation, including the amendment by Commission Delegated Regulation (EU) 2023/2486. As the remaining part of the total investments for taxonomy-eligible or non-taxonomy-eligible economic activities, adjusted for investments in non-production areas (corporate investments), is incurred at the Group locations, e.g. for new machining centres in production, this difference is broken down according to the percentage share of taxonomy-eligible revenue in the overall product portfolio in order to determine the taxonomy-eligible share of this capital expenditure. The resulting taxonomy-eligible capital expenditure assigned to economic activity CCM 3.6 is allocated to category A. The sum total of the taxonomy-eligible category A and category C capital expenditure is used as the numerator for calculating the taxonomy-eligible share of capital expenditure as no category B capital expenditure arose in the year under review.

Category B includes capital expenditure that is part of a capital expenditure plan to expand taxonomy-eligible economic activities or to enable taxonomy-eligible economic activities to become taxonomy-aligned. While category a includes capital expenditure on assets or processes that relate to taxonomy-eligible economic activities, category c includes capital expenditure that relates to the acquisition of output from taxonomy-eligible economic activities and individual measures that enable the target activities to become low-carbon or lead to greenhouse gas reductions. The corresponding categorisation applies analogously to the explanations on operating expenditure in the following sections.

Taxonomy-aligned capital expenditure

Taxonomy-aligned capital expenditure in categories CCM 7.3 and CCM 7.6 was not reported in the year under review because the suppliers or business partners did not provide any evidence of fulfilment of the DNSH criteria and compliance with the minimum protection for individual taxonomy-eligible capital expenditure. As there are no taxonomy-aligned economic activities under category 3.6 “Production of other low-carbon technologies”, it was not possible to use a revenue-based allocation key to determine taxonomy-aligned capital expenditure according to CMM 3.6.

Figure: Share of capital expenditure from goods or services associated with taxonomy-aligned economic activities – disclosure for 2024

CapEx		2024 Financial year		Criteria for a material contribution					
Economic activities (1)	**Code (2)**	**Capital expenditure (3) €m**	**Capital expenditure share, 2024 (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water (7) Y; N; N/EL**	**Environmental pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biological diversity (10) Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1 Ecologically sustainable activities (taxonomy-aligned)									
Capital expenditure on ecologically sustainable activities (taxonomy-aligned) (A.1)									
Of which enabling activities									
Of which transitional activities									
A.2 Taxonomy-eligible, but not ecologically sustainable activities (non-taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Production of other low-carbon technologies	CCM 3.6	14.3	26.0	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.8	1.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of technologies for renewable energies	CCM 7.6	0.1	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Capital expenditure on taxonomy-eligible but not ecologically sustainable activities (non-taxonomy-aligned activities) (A.2)		15.2	27.6	27.6%	0%	0%	0%	0%	0%
A. Capital expenditure on taxonomy-eligible activities (A.1 + A.2)		15.2	27.6	27.6%	0%	0%	0%	0%	0%
B. Non-taxonomy-eligible activities									
Capital expenditure on non-taxonomy-eligible activities		39.9	72.4						
Total		55.1	100						

DNSH criteria (“Do no significant harm”)									
Climate change mitigation (11) Y/N	**Adaptation to climate change (12) Y/N**	**Water (13) Y/N**	**Environmental pollution (14) Y/N**	**Circular economy (15) Y/N**	**Biological diversity (16) Y/N**	**Minimum protection (17) Y/N**	**Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capital expenditure in 2023 (18) %**	**Category Enabling activity (19) E**	**Category Transitional activity (20) T**
							28.7		
							0.7		
							1.1		
							30.5		
							30.5		

Explanation of abbreviations:

Y - Yes, taxonomy-eligible activity aligned with the relevant environmental objective
N - No, taxonomy-eligible activity but not aligned with the relevant environmental objective
EL - eligible, taxonomy-aligned activity for the respective environmental objective
N/EL - not eligible, activity not taxonomy-eligible for the respective environmental objective”

Tables according to footnote (c) of Environmental Delegated Act Annex V

	CapEx-Anteil/Gesamt-CapEx	
	"Taxonomie-konform je Ziel"	"Taxonomiefähig je Ziel"
Climate change mitigation (CCM)	0%	27.6%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Environmental pollution (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0 %	0 %

Taxonomy-eligible operating expenditure

Operating expenditure in the sense of the EU taxonomy includes non-capitalisable expenses for research and development, building refurbishment measures, short-term leases, maintenance and servicing, among other things. To calculate the taxonomy-eligible share of operating expenditure, the total value of denominator is first determined. One input for the denominator is the non-capitalised R&D costs, which are shown in the consolidated income statement on page 65 of the 2024 annual report. The second input for the denominator is the maintenance and servicing costs in production, sales and administration as well as the expenses for short-term and low-value leases, which are also included in the cost of sales, selling and administrative expenses recognised in the consolidated income statement on page 65 of the annual report. The expenditure for measures for reducing energy consumption or increasing energy efficiency at the factory buildings and for maintaining the photovoltaic systems installed forms a partial value in the numerator for identifying the taxonomy-eligible proportion of operating expenses. This expenditure coming within the economic activities CCM 7.3 “Installation, maintenance and repair of energy-efficient equipment” and CCM 7.6 “Installation, maintenance and repair of renewable energy technologies” is classified as taxonomy-eligible operating expenditure in accordance with Section 1.1.3.2. (c) of Annex I of Commission Delegated Regulation (EU) 2021/2178 on the reporting obligations under Article 8 of the EU Taxonomy Regulation, including the amendment by Commission Delegated Regulation (EU) 2023/2486. As the remainder of the total operating expenditure for taxonomy-eligible or non-taxonomy-eligible economic activities arises at the Group locations and a more accurate breakdown is not possible for system-related reasons, this difference is disaggregated on the basis of the percentage of taxonomy-eligible revenue in the entire product portfolio in order to determine the taxonomy-eligible category A operating expenditure allocated to economic activity CCM 3.6. The sum total of the taxonomy-eligible category A and category C operating expenditure is used as the numerator for calculating the taxonomy-eligible share of operating expenses as no category B operating expenses arose in the year under review.

Taxonomy-aligned operating expenditure

Taxonomy-aligned operating expenditure in categories CCM 7.3 and CCM 7.6 was not reported in the year under review because the suppliers or business partners did not provide any evidence of fulfilment of the DNSH criteria and compliance with the minimum protection for individual taxonomy-eligible operating expenditure. As there are no taxonomy-aligned economic activities under category 3.6 “Production of other low-carbon technologies”, it was not possible to use a revenue-based allocation key to determine taxonomy-aligned operating expenditure according to CMM 3.6.

Figure: Share of operating expenditure share from goods or services associated with taxonomy-aligned economic activities – disclosure for 2024

OpEx		2024 Financial year		Criteria for a material contribution					
Economic activities (1)	**Code (2)**	**Operating expenditure (3) €m**	**Operating expenditure share, 2024 (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water (7) Y; N; N/EL**	**Environmental pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biological diversity (10) Y; N; N/EL**
A. Taxonomy-eligible activities									
A.1 Ecologically sustainable activities (taxonomy-aligned)									
OpEx of ecologically sustainable activities (taxonomy-aligned) (A.1)									
Of which enabling activities									
Of which transitional activities									
A.2 Taxonomy-eligible, but not ecologically sustainable activities (non-taxonomy-aligned activities)				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL
Production of other low-carbon technologies	CCM 3.6	27.0	36.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy-efficient equipment	CCM 7.3	0.1	0.2	EL	N/EL	N/EL	N/EL	N/EL	N/EL
“Installation, maintenance and repair of technologies for renewable energies”	CCM 7.6	0.1	0.1	EL	N/EL	N/EL	N/EL	N/EL	N/EL
“OpEx of taxonomy-eligible, but not ecologically sustainable activities (non-taxonomy-aligned activities) (A.2)”		27.2	36.4	36.4%	0%	0%	0%	0%	0%
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		27.2	36.4%	36.4%	0%	0%	0%	0%	0%
B. Non-taxonomy-eligible activities									
Operating expenditure on non-taxonomy-eligible activities		47.5	63.6						
Total		74.7	100						

DNSH criteria (“Do no significant harm”)									
Climate change mitigation (11)	**Adaptation to climate change (12)**	**Water (13)**	**Environmental pollution (14)**	**Circular economy (15)**	**Biological diversity (16)**	**Minimum protection (17)**	**Share of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) operating expenditure 2023 (18)**	**Category Enabling activity (19)**	**Category Transitional activity (20)**
Y/N	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E**	**T**
							27.3		
							0.9		
							28.2		
							28.2		

Explanation of abbreviations:

Y - Yes, taxonomy-eligible activity aligned with the relevant environmental objective
N - No, taxonomy-eligible activity but not aligned with the relevant environmental objective
EL - eligible, taxonomy-aligned activity for the respective environmental objective
N/EL - not eligible, activity not taxonomy-eligible for the respective environmental objective”

Tables according to footnote (c) of Environmental Delegated Act Annex V

	Proportion of OpEx/total OpEx	
	aligned per objective	eligible per objective
Climate change mitigation (CCM)	0%	36.4%
Climate change adaptation (CCA)	0%	0%
Water and marine resources (WTR)	0%	0%
Circular economy (CE)	0%	0%
Environmental pollution (PPC)	0%	0%
Biodiversity and ecosystems (BIO)	0%	0%

Nuclear and fossil gas related activities

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 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

Independent Practitioner's Report on a Limited Assurance Engagement on Non-financial Reporting

To Koenig & Bauer AG, Friedrich-Koenig-Straße 4, 97080 Würzburg

Assurance Conclusion
We have conducted a limited assurance engagement on the separate non-financial group report of Koenig & Bauer AG, Friedrich-Koenig-Straße 4, 97080 Würzburg (hereinafter the „Company") to comply with §§ [Articles] 315b to 315c HGB [Handelsgesetzbuch: German Commercial Code] including the disclosures contained in this separate non-financial group report to fulfil the requirements of Article 8 of Regulation (EU) 2020/852 (hereinafter the „Non-Financial Group Reporting") for the financial year from 1 January to 31 December 2024.

Not subject to our assurance engagement were the external sources of documentation or expert opinions mentioned in the Non-Financial Group Reporting, which are marked as unassured.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Non-Financial Group Reporting for the financial year from 1 January to 31 December 2024 is not prepared, in all material respects, in accordance with § 315c in conjunction with §§ 289c to 289e HGB and the requirements of Article 8 of Regulation (EU) 2020/852 as well as with the supplementary criteria presented by the executive directors of the Company.

We do not express an assurance conclusion on the external sources of documentation or expert opinions mentioned in the Non-Financial Group Reporting, which are marked as unassured.

Basis for the Assurance Conclusion
We conducted our limited assurance engagement in accordance with the 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 "German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Group Reporting" section.

We are independent of the Company 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 complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Non-Financial Group Reporting
The executive directors are responsible for the preparation of the Non-Financial Group Reporting in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Non-Financial Group Reporting in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Non-Financial Group Reporting) or error.

This responsibility of the executive directors includes selecting and applying appropriate reporting policies for preparing the Non-Financial Group Reporting, 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 Non-Financial Group Reporting.

Inherent Limitations in the Preparation of the Non-Financial Group Reporting

The relevant German statutory legal and European regulations contain wording and terms that are still 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 legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Non-Financial Group Reporting.

German Public Auditor's Responsibilities for the Assurance Engagement on the Non-Financial Group Reporting
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 Non-Financial Group Reporting has not been prepared, in all material respects, in accordance with the relevant German legal and European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Non-Financial Group Reporting.

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 to prepare the Non-Financial Group Reporting.

- 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, misleading representations, or the override of internal controls.

- 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 judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Non-Financial Group Reporting.

- inquired of the executive directors and relevant employees involved in the preparation of the Non-Financial Group Reporting about the preparation process, and about the internal controls relating to this process.

- evaluated the reporting policies used by the executive directors to prepare the Non-Financial Group Reporting.

- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors.

- performed analytical procedures and made inquiries in relation to selected information in the Non-Financial Group Reporting.

- performed site visits.

- considered the presentation of the information in the Non-Financial Group Reporting.

- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Non-Financial Group Reporting.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Nuremberg, 20 March 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Marco See Wirtschaftsprüfer [German public auditor]	sgd. Felix Canitz Wirtschaftsprüfer [German public auditor]

Additional information

Detailed index

Balance sheet for Koenig & Bauer AG to 31 December 2024

in accordance with German accounting regulations (HGB)

in €m	31.12.2023	**31.12.2024**
Assets		
Non-current assets		
Intangible assets	56.1	61.1
Property, plant and equipment	68.6	64.2
Financial assets	407.4	416.7
	532.1	**542.0**
Current assets		
Other receivables and assets	181.8	156.1
Cash and cash equivalents	45.1	52.9
	226.9	**209.0**
Deferred income	**2.3**	**2.7**
Asset difference from net asset transfer	0.4	0.2
	761.7	**753.9**

in €m	31.12.2023	**31.12.2024**
Equity and liabilities		
Equity		
Share capital	43.0	43.0
Share premium	87.5	87.5
Reserves	181.5	184.4
Retained earnings	2.9	-61.7
	314.9	**253.2**
Special items with equity portion	**0.7**	**0.5**
Provisions		
Pension and similar provisions	78.2	73.5
Tax provisions	0.1	0.0
Other provisions	29.3	29.6
	107.6	**103.1**
Liabilities		
Bank loans	235.4	254.9
Prepayments received on orders	0.0	2.3
Trade payables	4.2	3.9
Payables to affiliated companies	95.0	132.1
Other liabilities	3.9	3.9
	338.5	**397.1**
	761.7	**753.9**

Income statement for Koenig & Bauer AG 2024

in accordance with German accounting regulations (HGB)

in €m	2023	**2024**
Revenue	112.0	132.5
Cost of sales	-82.0	**-90.4**
Gross profit	**30.0**	42.1
Administrative expenses	-43.1	-44.1
Other operating income	6.0	6.8
Other operating expenses	**-1.9**	**-60.8**
Profit from operations	-9.0	-56.0
Financial result	14.2	-5.5
Income taxes	0.6	-0.2
Earnings after taxes	**5.8**	**-61.7**
Other taxes	--	--
Net profit	**5.8**	**-61.7**
Profit carried forward	1.3	2.9
Transfer to other reserves	-4.2	-2.9
Retained earnings	**2.9**	**-61.7**

Financial dates

Statement on 1st quarter 2025

6 May 2025

Koenig & Bauer Annual General Meeting

4 June 2025
Vogel Convention Center, Würzburg

Report on 2nd quarter 2025

6 August 2025

Statement on 3rd quarter 2025

5 November 2025

Contact / Imprint

Koenig & Bauer AG
Friedrich-Koenig-Straße 4
97080 Würzburg
info@koenig-bauer.com
www.koenig-bauer.com

Investor Relations:
Lena Landenberger

T: +49 (0) 931 909-4085
F: +49 (0) 931 909-4880
lena.landenberger@koenig-bauer.com

Concept & Design:
Koenig & Bauer

Printed by:
Druckerei Joh. Walch GmbH & Co KG
Im Gries 6
86179 Augsburg
Deutschland

Printed with Koenig & Bauer technology

Space for notes

Space for notes

Space for notes

Koenig & Bauer AG
Postfach 6060
97010 Würzburg
Germany

T: +49 (0) 931 909 - 0
F: +49 (0) 931 909 - 4101
info@koenig-bauer.com

Further up-to-date information
can be found on our website at
www.koenig-bauer.com