

**97th Annual General Meeting of Koenig & Bauer AG on 24 May 2022  
held as a virtual event**

**Report of the Chairman of the Supervisory Board, Prof. Dr.-Ing. Raimund  
Klinkner**

*Check against delivery*

**Continued focus by the Supervisory Board on stabilising and improving  
operating profitability through P24x**

In 2021, the Supervisory Board continued to concentrate on stabilising and improving the Group's operating earnings and financial strength by means of the P24x efficiency and restructuring programme. In addition, the members of the Supervisory Board dealt in detail with Koenig & Bauer's business and earnings situation as well as its financial position, business strategy and the competition. In addition to advising and assisting the Management Board in dealing with the impact of the coronavirus pandemic on the Company, the Supervisory Board paid particular attention to cybersecurity. Strategic factors for advancing the Group based on the three pillars of digitisation, modularisation and sustainability held a particularly broad place in the Supervisory Board's activities.

**ESG roadmap and Management Board remuneration – central topics of the  
Personnel Committee**

The Supervisory Board sees the ESG strategy as a fundamental part of the Company's development. The Personnel Committee, which is responsible for ESG/sustainability within the Supervisory Board, therefore dealt in detail with the ESG roadmap presented by the Management Board and the achievement of the ESG objectives. Reflecting this, one of the performance criteria for the remuneration of the members of the Management Board entails an ESG target. The Personnel Committee's activities also focused on the application of the new remuneration system for the members of the Management Board, which had been approved by the shareholders at the Annual General Meeting on 11 May 2021. The Management Board and the Supervisory Board prepared the remuneration report for 2021 in full in accordance with the new statutory requirements for the first time. In addition to a

formal review to determine that the information required by law had been disclosed, the auditor was also asked to inspect the content of the remuneration report. This inspection did not result in any negative findings. The auditor expressed an opinion, which is attached to the remuneration report and is thus also printed in the invitation to the Annual General Meeting. In accordance with the provisions of the German Stock Corporation Act, the remuneration report must be submitted to the Annual General Meeting for approval for the first time this year.

### **Close and intensive support of the Management Board**

The Supervisory Board and its committees closely supervised the Management Board's activities throughout the year. The members of the Management Board informed the Supervisory Board promptly, regularly and comprehensively of all events of material importance for the Company. This was predominantly done in hybrid Supervisory Board meetings as well as in video and telephone conferences. A total of eight Supervisory Board meetings were held, each preceded by internal voting calls. In addition, there were seven information events on matters of current relevance. The committees met a total of twelve times. As well as this, the Chairman of the Supervisory Board held regular fixed meetings with the Chief Executive Officer, and the Chairman of the Audit Committee with the Chief Financial Officer.

### **New employee representatives on the Supervisory Board**

There have been no changes to the shareholder representatives on the Supervisory Board since Matthias Hatschek was re-elected at the Annual General Meeting on 11 May 2021. The regular election of the employee representatives on the Supervisory Board was held in April 2021. With the exception of Walther Mann, who retired on account of his age, all the previous employee representatives were duly re-elected. Werner Flierl was elected to the Supervisory Board on behalf of the employees to replace Mr Mann as a trade union representative.

The composition of the committees was determined at the constituent meeting of the Supervisory Board held following the Annual General Meeting on 11 May 2021. Ms Julia Cuntz was newly elected to the Mediation Committee and Ms Simone Walter to the Strategy Committee. Gottfried Weippert was elected Deputy Chairman of the Supervisory Board and a member of the Executive Committee.

## **Elections to the Supervisory Board on the agenda for the Annual General Meeting again**

Mr Carsten Dentler's term of office will be expiring at the end of the Annual General Meeting on 24 May 2022. Accordingly, it will be necessary for his position as a shareholder representative to be refilled in an election at the Annual General Meeting. Mr Dentler has already declared his willingness to stand for election for a further term of office. In item 6 of the agenda of the Annual General Meeting, the Supervisory Board, at the recommendation of its Nomination Committee, proposes that Mr Dentler be re-elected to the Supervisory Board of Koenig & Bauer AG. Mr Dentler is a proven capital markets expert and very familiar with Koenig & Bauer AG and its business segments. Accordingly, the Supervisory Board greatly welcomes Mr Dentler's willingness to stand for re-election. The Supervisory Board considers him to be independent and is convinced that he can spare the necessary time for the performance of his duties.

## **Corporate governance as a best practice**

The application and further development of the Company's corporate governance practices are regularly monitored by the Supervisory Board. This particularly includes the implementation of the recommendations of the German Corporate Governance Code. The Supervisory Board keeps abreast of changes to the law with the support of internal and external experts and legal advisers.

## **Additional training for members of the Supervisory Board**

The members of the Supervisory Board undergo regular further education and receive appropriate support from the Company for this purpose. In 2021, the members of the Supervisory Board underwent extensive training on the new statutory requirements arising from the Act to Strengthen the Integrity of the Financial Markets (FISG). Furthermore, the Supervisory Board dealt with the bill for an Association Sanctions Act.

From 2022, the training system for the Supervisory Board will be expanded to include semi-annual webinars on selected topics as well as external events. The first webinar on "Due Diligence Requirements of the Supervisory Board with respect to the Supervision of the Management Board" was held on 6 April. In addition, an onboarding process has been established for new members of the Supervisory Board

to make it easier for them to acquaint themselves with its activities as well as the Koenig & Bauer Group's business.

### **Strong momentum in new orders despite difficult environment**

Although the Management Board is responsible for the report on the Company's business, I would like to say a few general words about the performance of Koenig & Bauer AG and the Group from the perspective of the Chairman of the Supervisory Board before handing over to the Management Board.

2021 was marked by the COVID-19 pandemic as well as material and supply chain bottlenecks. As a result, the procurement prices of commodities and materials as well as energy supplies rose substantially. In spite of the difficult environment, Koenig & Bauer AG recorded exceptionally high order intake in 2021: Compared to 2020, customers orders for printing presses and solutions were up roughly one third, elevating the order backlog to its historically highest level in a decade.

Koenig & Bauer's strategy of focusing on packaging printing – and thus on the end markets of food and beverages – is absolutely right. The positive trend experienced by our Company is also being spurred by the growth in e-commerce. Security business with banknote printing and the new digital add-on solutions are another major pillar that is proving to be robust, especially in times of crisis.

Consequently, Koenig & Bauer will continue to focus on the packaging market and the rapidly growing markets in Europe, Asia and the United States.

However, we are currently seeing a turning point: democracy, peace and freedom can no longer be taken for granted, while supply chains are more interwoven than societies. The global economy is clouding over, and inflation is higher than it has been for 40 years.

As a society and as a company, we have to face up to this. That said, I am firmly convinced that Koenig & Bauer AG is well positioned to handle all these challenges. The role of the Supervisory Board is to supervise and advise management. In times of growing complexity, a close, trusting exchange with the Management Board is of particular importance. And we are making very good progress in this respect.

### **Strategic realignment of the Koenig & Bauer Group - "Exceeding Print"**

As I mentioned at the beginning of my report, a central matter discussed between the Management Board and the Supervisory Board concerned the Company's strategic

orientation over the next few years. The members of the Supervisory Board actively supported the development of the new overarching corporate strategy “Exceeding Print”. As the name suggests, the strategy goes beyond “printing”. In the light of the prevailing megatrends, “Exceeding Print” provides an answer to the challenges facing our industry.

By channelling the Company’s existing strengths into the three pillars of sustainability, digitisation and modularity, Koenig & Bauer is setting the course for a successful future, evolving from a producer of printing presses into an agile technology group.

The Chief Executive Officer, Dr Andreas Pleßke, will be describing “Exceeding Print” in greater detail in his report.