

Supervisory Board report

Dear shareholders,

In a challenging business environment dominated by the Covid-19 pandemic, inflation and supply chain constraints but also characterised by the encouragingly strong momentum of order intake, the Supervisory Board's activities in 2021 focused in particular on stabilising and improving the Group's operating earnings and financial strength by means of the P24x efficiency and restructuring programme together with strategic matters for advancing the Group based on the three pillars of digitalisation, modularisation and sustainability. In addition, the Supervisory Board dealt in detail with the Group's business and earnings performance as well as its financial situation, discussing matters such as its business policy, the competitive situation, risk management, compliance, cybersecurity, the strategy for the capital market, the ESG road map and the development of the Group including its investments. Alongside the pandemic situation and related activities within the Group, remuneration issues were also on the agenda of the Supervisory Board and its committees. 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 2021, this was mostly done in hybrid meetings with combined physical and online attendance, 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, and there are

further regular meetings 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.

The Supervisory Board performed its duties with great care in accordance with the law, the Articles of Association and the Rules of Procedure. A total of eight Supervisory Board meetings and seven information events for the Supervisory Board were held on matters of current interest in 2021. These were supplemented by internal preparatory calls held prior to all Supervisory Board meetings. 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	Total meetings (8)	Personnel Committee (5)	Audit Committee (4)	Strategy Committee (2)	Nomination Committee (1)	Total attendance
Professor Raimund Klinkner, Chairman	2018	8/8	5/5	–	2/2	1/1	100%
Gottfried Weippert, Deputy Chairman	2001	8/8	5/5	4/4	2/2	–	100%
Dagmar Rehm, Deputy Chairman	2014	8/8	5/5	4/4	–	1/1	100%
Julia Cuntz	2016	8/8	–	–	–	–	100%
Carsten Dentler	2017	8/8	–	–	2/2	–	100%
Marc Dotterweich	2015	7/8	–	3/4	–	–	83%
Werner Flierl	11 May 2021	5/8	–	–	–	–	100%
Matthias Hatschek	2006	8/8	–	–	2/2	1/1	100%
Christopher Kessler	2016	7/8	–	–	2/2	–	90%
Professor Gisela Lanza	2015	7/8	–	–	2/2	–	90%
Dr Johannes Liechtenstein	2019	8/8	–	4/4	–	–	100%
Walther Mann (until 11 May 2021)	2006	3/8	–	–	1/2	–	100%
Simone Walter	2016	8/8	–	–	1/2 ¹	–	100%

¹ Simone Walter has been a member of the Strategy Committee since 11 May 2021.

The office held by Matthias Hatschek as a shareholder representative on the Supervisory Board was renewed by the shareholders at the Annual General Meeting on 11 May 2021. Otherwise, there were no changes to the composition of the shareholder representatives on the Supervisory Board during the year under review. On 20 April 2021, the Germany-based employees of the Koenig & Bauer Group held scheduled elections to select employee representatives for the Supervisory Board. Gottfried Weippert, Julia Cuntz, Marc Dotterweich, Christopher Kessler and Simone Walter were re-elected. Werner Flierl was elected to the Supervisory Board as a trade union representative to succeed Walther Mann, who retired from the Supervisory Board at the end of the Annual General Meeting on 11 May 2021. The Supervisory Board thanked Mr Mann for his many years of dedicated service and held a special ceremony in his honour. Following this change in the composition of the employee representatives on the Supervisory Board, the constitutive meeting of the Supervisory Board was held on 11 May 2021 following the Annual General Meeting to select the members of the Supervisory Board committees. Julia Cuntz was elected to the Mediation Committee and Simone Walter to the Strategy Committee. Gottfried Weippert was elected Deputy Chairman of the Supervisory Board. Details of the current composition of the Supervisory Board's committees can be found on the Company's website. There have been no changes in the composition of the Management Board since the last report of the Supervisory Board.

The members of the Supervisory Board receive appropriate support from the Company in the form of training and further education. The Supervisory Board is kept continuously up to date and trained by internal experts and external legal advisors to address any new legal developments and amendments to the German Corporate Governance Code. 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). In addition to the training offered by the trade unions and DGB-Bildungswerk, the employee representatives are able to make use of the conferences offered by the Hans Böckler Foundation for the purpose of further education. From 2022, the training system for the Supervisory Board will be expanded to include semi-annual webinars on selected topics and optional external events. In addition, an onboarding process will be implemented for new Supervisory Board members.

The meetings of the Supervisory Board and its committees as well as the video conferences dealt with the following matters in 2021: In addition to

the Management Board's report on the status of the P24x efficiency and restructuring programme and on the plans for the Annual General Meeting on 11 May 2021, the agenda of the Supervisory Board's video conference on 10 February 2021 included Management Board matters and modifications to the Supervisory Board remuneration. Alongside the Management Board's report on the preliminary annual financial statements for 2020, the Supervisory Board's video conference on 25 February 2021 discussed in detail the integration of sustainability/ESG matters in the Supervisory Board's activities and the modifications to the Supervisory Board remuneration. In the ensuing circular resolution, it was determined that responsibility for sustainability/ESG should be additionally assigned to the Personnel Committee.

During its hybrid meeting on 22 March 2021 with physical and online attendance, the Supervisory Board approved the Management Board's resolution to hold the Annual General Meeting on 11 May 2021 in a purely online format in accordance with the Covid-19 Act and the provisions contained in that Act governing the shareholders' right to ask questions. The Supervisory Board approved the wording of the invitation for the virtual Annual General Meeting on 11 May 2021 with nine agenda items and motions including the new Management Board remuneration system and the modifications to the Supervisory Board remuneration.

At its hybrid meeting of 23 March 2021, the Supervisory Board dealt at length with the annual financial statements for Koenig & Bauer AG and the Group, the corresponding audit reports, the combined management report and the non-financial Group report as of 31 December 2020 in addition to the current forecast for 2021 and the P24x status report. In addition to Management Board matters and personnel issues, the agenda also included status reports on the diversity project for the advancement of women/achievement of a level playing field and on capital market communications. Furthermore, the Supervisory Board was informed of the consequences of the draft of the Association Sanctions Act.

On 3 May 2021, the Supervisory Board held a video conference to discuss the Q1 figures. The hybrid Supervisory Board meeting held on 10 May 2021 with physical and online attendance concentrated on preparations for the online Annual General Meeting to be held on the following day. In addition to a detailed discussion of cybersecurity, further items on the agenda concerned the P24x status report and Management Board matters. The

Supervisory Board held a constitutive meeting on 11 May 2021 following the online Annual General Meeting. Due to the changes in the employee representatives, adjustments were made to the composition of the Supervisory Board committees at the hybrid meeting.

On 23 June 2021, the Supervisory Board held a video conference at which the Management Board presented a report on the status of the P24x project. The Management Board also provided information on the background and effects of the partial reversal of the P24x restructuring provisions.

Prior to the commencement of the strategy conference on 27 July 2021, the Supervisory Board was briefed on the report on the first half of 2021. Furthermore, the new obligations for Koenig & Bauer arising from the Supply Chain Due Diligence Act and the Transparency Register and Financial Information Act were outlined. During its strategy conference, the Supervisory Board held a video conference in which it discussed in detail the strategic topics presented by the Management Board on the basis of a comprehensive strategy process together with thoughts on the future general Group strategy aimed at channelling existing strengths to advance sustainability, modularity and digitalisation. In addition to the D&O insurance for the Supervisory Board, the meeting of 28 July 2021, which was held as a video conference, dealt with the current forecast for 2021. 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 requirements, were discussed.

In a hybrid Supervisory Board meeting held on 20 September 2021 with both physical and online attendance, the Management Board presented the high-level business plan for the years 2022 to 2026. The Management Board also submitted a status report on the P24x project and an interim report on the diversity project for the advancement of women/achievement of a level playing field.

The Supervisory Board held video conferences on 27 October 2021 on the Q3 report and on 9 November 2021 on the status of the P24x project. At the Supervisory Board meeting on 10 December 2021, which was held as a video conference, the Management Board presented in detail the corporate and investment plans for 2022 and provided an outlook for the following years until 2026. The Supervisory Board approved the corporate and investment budget for 2022 and acknowledged the medium-term plans. In

order to streamline the Group's structure, the Supervisory Board approved the Management Board's proposal to restructure Koenig & Bauer Industrial AG & Co. KG and to give it the status of a separate entity (limited liability company). In addition to cybersecurity, Management Board matters and remuneration questions, the agenda included updates on the P24x project, IR/capital market communications and the ESG roadmap. In addition, a comprehensive training programme for the Supervisory Board was adopted.

Much of the Supervisory Board's work is performed by its various committees. Five ordinary 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, the Audit Committee four times and the Nomination Committee once. In addition to the strategy conference, which was attended by the entire Supervisory Board, a further two meetings of the Strategy Committee were held during the year under review. The meeting of the Pandemic Committee consisting of Dagmar Rehm, Matthias Hatschek and Gottfried Weippert as well as the Chairman of the Supervisory Board discussed the latest developments in the pandemic situation and the response taken by the Company. It was again not necessary for the Mediation Committee appointed under section 27 (3) of the Code-termination Act to convene in 2021.

In addition to the quarterly reports, 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. 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 by the Supervisory Board. It monitored the independence of the external auditor and obtained its declaration of independence. The Audit Committee also prepared the proposal for the election of the auditor of the annual financial statements and the consolidated financial statements to be submitted to the Annual General Meeting. The Audit Committee

reviewed the non-auditing activities performed by the external auditor on a quarterly basis. In addition to determining the priorities of the audit of the financial statements, the compliance and risk management system, the risk situation in the Group, the Audit Committee also discussed internal auditing and export controls as well as cybersecurity. In addition, it received comprehensive and regular updates on the progress of SAP migration. The Chief Executive Officer and the Chief Financial Officer regularly attended the meetings of the Audit Committee.

In the year under review, Management Board and remuneration matters dominated the meetings of the Personnel Committee. Another focus entailed the explanation of the ESG roadmap by the Management Board. The Nomination Committee prepared the recommendations for candidates for submission to the full Supervisory Board for the Supervisory Board election scheduled for the next Annual General Meeting. The Strategy Committee was closely involved in the new Group strategy process and informed at length by the Management Board in the meetings about the key topics of digitalisation, modularisation and service as well as focus markets and applications.

The application and further development of the corporate governance rules in the Company, particularly 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 22 March 2022, the Supervisory Board adopted the Koenig & Bauer financial statements prepared by the Management Board and approved the consolidated financial statements for the Koenig & Bauer Group as of 31 December 2021, including the combined management report and separate non-financial Group report as well as the remuneration 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 and the remuneration report a review of sufficient assurance (audit of contents) by PricewaterhouseCoopers GmbH. The Supervisory Board, like the Audit Committee, approved the auditor's findings 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 2021.

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, all managers and employee representatives for their great commitment to our Group in 2021, which was a challenging year in view of the demanding underlying conditions. Our thanks also go out to our shareholders for their confidence in our Company.

Würzburg, 22 March 2022
Koenig & Bauer AG Supervisory Board



Professor Raimund Klinkner
Chairman of the Supervisory Board