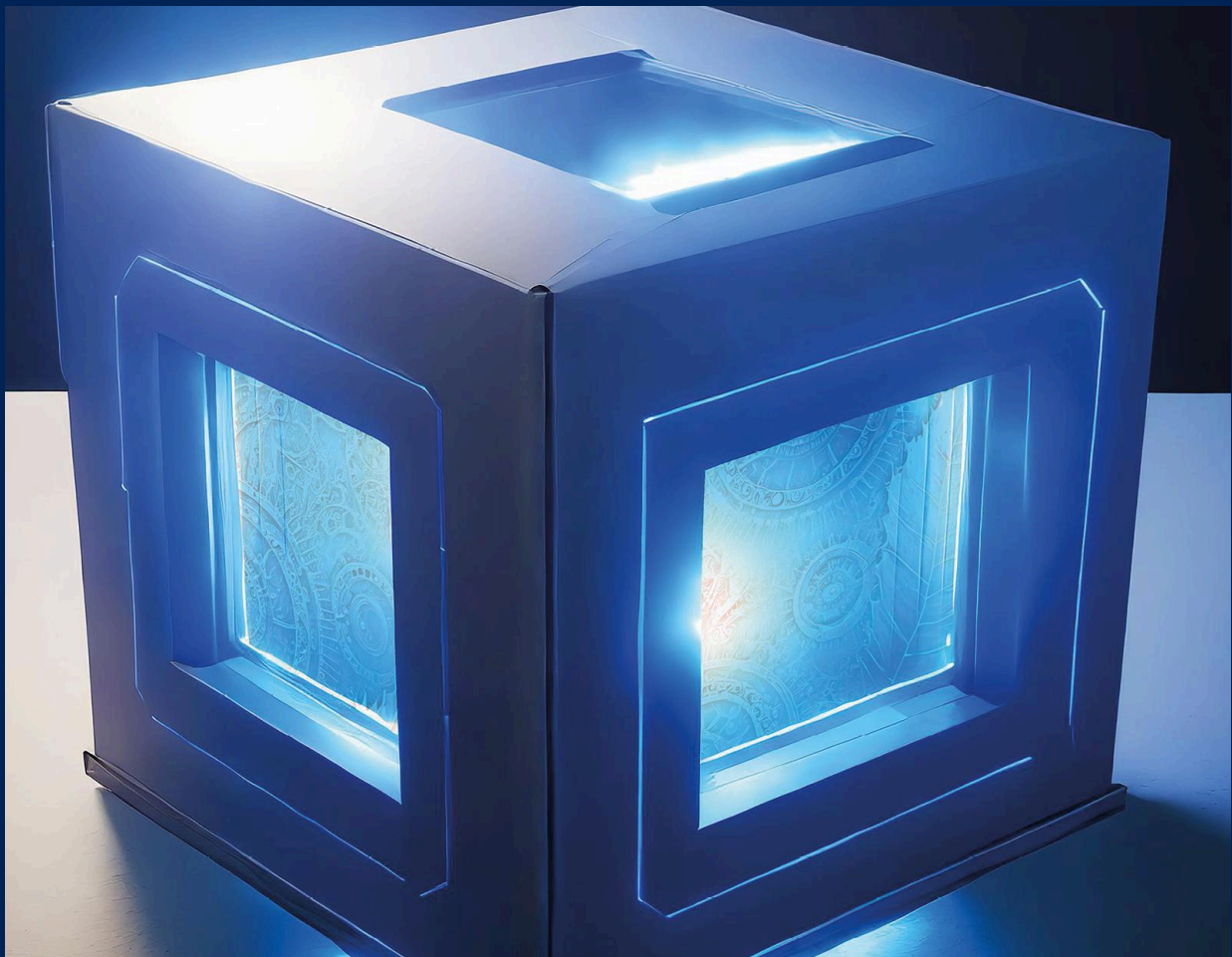


KOENIG & BAUER

Annual General Meeting 2024

Key Statements of the report of the Supervisory Board
Prof. Dr.-Ing. Raimund Klinkner



we're on it.

Key statements of the report of the Supervisory Board

Prof Dr Raimund Klinkner

The spoken word prevails

Koenig & Bauer experiences successful drupa

After an eight-year break, drupa was once again an outstanding success. It has opened up new business opportunities and given the company positive impetus for the future. More and more competitors are entering or re-entering the digital printing market and, like Koenig & Bauer, are increasingly focusing on digitalisation and sustainability. Both are not only central pillars of our corporate strategy "Exceeding Print", but are also of decisive importance for the future of the entire industry. The Supervisory Board was able to gain its own impression of this during its visit to the trade fair and take an in-depth look at current industry trends.

Agenda for the Annual General Meeting: Elections to the Supervisory Board and approval of the new remuneration system for members of the Management Board

The mandates of Ms Dagmar Rehm, Dr Liechtenstein and myself will expire at the end of the Annual General Meeting on 26 June 2024. All three candidates are standing for re-election. Based on the recommendations of its Nomination Committee, the Supervisory Board proposes the re-election of the current mandate holders. The proposal is in line with the objectives for the composition, the skills profile and the diversity concept of the Supervisory Board. All three candidates will introduce themselves in person at the Annual General Meeting.

As announced at the Annual General Meeting on 16 June 2023, the Personnel Committee, chaired by Ms Dagmar Rehm, further developed the existing remuneration system for the members of the Management Board in accordance with the requirements of the German Corporate Governance Code and with the support of an external, independent consultant. Market trends and the expectations of investors and proxy advisors were taken into account. The external consultant confirmed the appropriateness of the remuneration as a whole and the market conformity of the individual remuneration components. The remuneration system adopted by the Supervisory Board on 20 March 2024 is to be submitted to the Annual General Meeting on 26 June 2024 for approval. Overall, the Supervisory Board is convinced

that the new remuneration system is in the best interests of the company and its shareholders.

Current financial year: Transition year with new opportunities and challenges

Despite global economic challenges, Koenig & Bauer achieved revenue of around €1.3 billion and EBIT of €29.9 million in 2023, which was within the forecast range of €25 million to €35 million. EBIT was thus increased for the third time in a row. This continuous improvement is a clear sign of Koenig & Bauer's solid foundation and the determination with which we are pursuing our path.

Against the backdrop of geopolitical tensions, economic uncertainties and technological changes, it is important to move into a phase of harvesting now. With the "Spotlight" programme launched at the end of 2023, initiatives to strengthen our earnings and financial power will be prioritised and measures that do not have an immediate impact on earnings will be postponed in order to optimise the organisational and cost structure and make processes even more customer-oriented.

We see the current financial year as a "transition year", characterised by delayed and in some cases weak incoming orders, particularly in the third quarter of 2023. Nevertheless, there are initial positive signs from the sequential recovery in incoming orders - things are slowly but surely picking up again. Extraordinary orders worth €250 million since the end of May 2024, €200 million of which are legally binding, are an expression of the great interest in Koenig & Bauer's products and solutions and confirm the trust of our customers.

The transition period presents us with challenges, but also offers opportunities to reposition ourselves and develop further. Let us seize this opportunity and continue together on the path to a successful future. Koenig & Bauer has proven in recent years that we are able to adapt and emerge stronger from difficult situations.