

KOENIG & BAUER

Annual General Meeting 2026

IMPACT.

Item 6

Report of the Executive Board pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG)

we're on it.

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101st Annual General Meeting

**Please note that this version of the written report of the Executive Board of Koenig & Bauer AG on Agenda item 6 prepared for the convenience of English-speaking readers is a translation of the German original. For purposes of interpretation, the German text shall be authoritative and final. The German original of the written report is available on the Company's website at <https://investors.koenig-bauer.com/de/hauptversammlung>*

Report of the Executive Board of Koenig & Bauer AG on Agenda Item 6

Report of the Executive Board pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 of the German Stock Corporation Act (AktG) on the creation of a new authorized capital with the authorization to exclude pre-emptive rights and the corresponding amendment to the Articles of Association

The authorization existing in Section II, Article 5.3 of the Articles of Association of Koenig & Bauer AG to increase the share capital of the Company against cash and/or non-cash contributions (Authorized Capital 2022) expires on 23 May 2026. The Executive Board has not made use of this authorization to date. To ensure that the Company remains able to use authorized capital in the future to strengthen equity and to acquire shareholdings, the Executive Board and the Supervisory Board propose to the Annual General Meeting, under Agenda Item 6, that a resolution be passed to create new authorized capital (Authorized Capital 2026). The Authorized Capital 2026 shall authorize the Executive Board, with the approval of the Supervisory Board, to increase the share capital in the period until 16 June 2031 by up to a total of € 8,580,000 by issuing up to 3,300,000 new no-par value bearer shares. This corresponds to approximately 19.97% of the existing share capital.

The new authorized capital shall be available for both cash and non-cash capital increases and may be exercised on a single occasion or on multiple occasions, in full or in installments.

Shareholders are generally to be offered a pre-emptive right. The statutory pre-emptive right may be granted to shareholders in such a way that the shares are underwritten by one or more credit institutions or companies within the meaning of Section 186 (5) sentence 1 AktG determined by the Executive Board, with the obligation to offer them to the shareholders for subscription (indirect pre-emptive right). This corresponds to standard practice and serves to facilitate the processing of the pre-emptive right, which is not materially restricted thereby.

The Executive Board shall further be authorized, with the approval of the Supervisory Board, to exclude shareholders' statutory pre-emptive rights in certain cases. According to the proposed amendment to the Articles of Association in agenda item 6, this specifically concerns the cases listed under items (i) to (v) below:

- i. to balance fractional amounts;
- ii. the implementation of cash capital increases in accordance with the conditions set out in section 186(3), fourth sentence, of the German Stock Corporation Act (simplified exclusion of subscription rights)

KOENIG & BAUER

- iii. the use for share ownership schemes for employees of the Company and its affiliated companies as well as for share-based remuneration for members of the executive bodies of the Company and its affiliated companies;
- iv. the implementation of capital increases in kind in connection with acquisitions of companies and equity interests, as well as other assets;
- v. for the issuance of shares to satisfy conversion or option rights or to fulfill conversion or option obligations.

For the categories of cases mentioned as examples, the Executive Board comments on the reasons for the exclusion of pre-emptive rights as follows:

I. Categories of cases for the exclusion of pre-emptive rights

i. Balancing of fractional amounts

The exclusion of pre-emptive rights for fractional amounts serves to create a practicable subscription ratio for capital increases. Without this exclusion, technical implementation would be significantly more difficult, especially in the case of uneven subscription ratios. The shares excluded from pre-emptive rights as free fractions will be utilized by the Company at market conditions in a manner that protects the share price.

ii. Capital increases against cash contributions according to Section 186 (3) sentence 4 AktG (simplified exclusion of pre-emptive rights)

Especially in a volatile environment, the Executive Board considers it indispensable to be able to react to short-term capital requirements or attractive growth options without delay. The so-called simplified exclusion of pre-emptive rights against cash contributions according to Section 186 (3) sentence 4 AktG creates the necessary room for maneuver. It enables the company to take immediate advantage of favorable market conditions, whereas an issue of shares with subscription rights for shareholders would often be too rigid, too protracted, and burdened by uncertainty regarding the extent to which the subscription rights would be exercised, due to long time frames.

Through this form of equity strengthening, the balance sheet structure is optimized and liquidity is preserved, as cash remains directly available for operations and financial stability. When determining the issuance price, the Executive Board will orient itself closely to the current stock market price so that the issuance amount does not significantly fall below the stock market price. A market-oriented pricing without significant discount ensures that the Company receives funds at full market value and the economic interests of the shareholders are protected. Interested investors also have the option to keep their participation quota stable through purchases via the stock exchange at nearly identical conditions.

To protect shareholders, this exclusion of pre-emptive rights in connection with cash capital increases is deliberately limited to a total of 10% of the share capital, even though Section 186 (3) sentence 4 AktG permits a limit of 20% of the share capital in this context. This limit includes other measures—such as the sale of treasury shares or the issuance of shares to satisfy conversion or option rights—provided that these are carried out on a cash basis with the exclusion of pre-emptive rights. This mutual offsetting ensures that the

KOENIG & BAUER

maximum limit of 10% of the share capital is not exceeded at any time—neither at the time the authorization enters into force nor at the time it is exercised.

iii. Share ownership schemes and share-based remuneration

The issuance of shares to employees of the Company and its affiliated companies, as well as to members of the Company's Executive Board and members of the governing bodies of affiliated companies, serves as a key tool for fostering the long-term retention and motivation of these key performers. Through their equity participation, the interests of the beneficiaries are aligned with those of the shareholders in achieving sustainable value growth for the Company. Attracting and retaining qualified specialists and executives—including at the subsidiary level—is in the Company's own best interest to remain competitive in the international marketplace. Since the new shares are to be offered specifically to this defined group of individuals as a direct component of their compensation or as an incentive model, the exclusion of existing shareholders' pre-emptive rights is absolutely necessary. The amount of capital earmarked for this purpose is € 1,300,000 (up to 500,000 no-par value shares), which corresponds to approximately 3% of the current share capital. This amount is to be regarded as moderate and falls within the range of what is customary and legally recognized among publicly traded companies for the participation of employees and executives. To the extent that members of the Company's Executive Board are to receive shares, the Supervisory Board shall decide on the allocation in order to comply with the division of responsibilities under German stock corporation law.

iv. The implementation of capital increases in kind in connection with acquisitions of companies and equity interests, as well as other assets

The Company operates in a dynamic market environment that requires a high degree of responsiveness and transaction security when acquiring companies, equity interests, and other assets. To remain competitive in the market for attractive acquisition targets, management must be able to capitalize on opportunities promptly without having to contend with the delays associated with convening an extraordinary general meeting.

The exclusion of pre-emptive rights in connection with capital increases through contributions in kind in the context of acquisitions of companies and equity interests, as well as other assets, enables the use of shares as an efficient acquisition currency. The authorization is also intended to provide the option of granting shares to holders of monetary claims against the Company in lieu of cash payment, for example, if the Company initially committed to paying a sum of money upon the acquisition of a company and subsequently intends to grant shares instead of cash.

These options are particularly important when sellers or other contractual partners demand a direct stake in the Company in order to benefit from future synergies. At the same time, the issuance of shares preserves the company's liquidity and stabilizes its balance sheet structure, as value-enhancing growth can be achieved without taking on additional debt or depleting cash reserves. This is economically advantageous for shareholders, as the Company's growth is financed externally through the new partner's contribution. Unlike a traditional capital increase against cash contributions, shareholders in this case benefit from the strengthened market position and the increased earnings potential of the expanded Company without having to invest their own funds.

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The authorization is therefore intended to preserve the Company's ability to act in the event of strategically significant growth initiatives, while always ensuring an appropriate balance between the value of the equity interest and the value of the shares issued. In determining the value of the shares to be issued as consideration, the Executive Board will generally base its assessment on the market price of the Company's shares. However, a rigid link to a stock market price is not intended, particularly to avoid jeopardizing negotiation results once achieved due to fluctuations in the stock market price.

The Executive Board will carefully assess in each individual case whether—with the approval of the Supervisory Board—the use of the Authorized Capital 2026, excluding pre-emptive rights, for the acquisition of companies, equity interests, or other assets is in the best interests of the Company and its shareholders, or whether other financing instruments—in particular the use of existing treasury shares—should be considered as a primary or supplementary alternative.

v. For the issuance of shares to satisfy conversion or option rights or to fulfill conversion or option obligations

The authorization also provides for the exclusion of shareholders' pre-emptive rights if new shares are issued to satisfy instruments that are equipped with conversion or option rights or corresponding obligations. This serves to raise debt capital on attractive terms, with the inflow of equity capital occurring later through conversion or the exercise of options. In order to be able to place these instruments in line with market conditions, the Company must be able to provide the underlying shares without a new resolution by the Annual General Meeting. If the shares are issued to satisfy rights granted in exchange for cash contributions, this will be counted toward the strict 10% limit for cash capital increases in order to protect the interests of shareholders in accordance with established market standards.

Beyond pure cash financing, it may be essential for a company to have access to a wide range of financing options when competing for attractive acquisition targets. The provision of conversion or option rights as consideration in the context of business combinations or the acquisition of equity interests (contributions in kind) represents one such option.

The Executive Board views the provision of shares to satisfy such rights in connection with contributions in kind as a tool for financing acquisitions. The use of the Authorized Capital 2026 to satisfy conversion or option rights or to fulfill respective obligations, excluding pre-emptive rights beyond the strict 10% limit for cash contributions, is intended exclusively for strategic acquisitions in exchange for contributions in kind.

The chosen structure addresses the need for financial flexibility while, at the same time, preserving the integrity of the volume restrictions applicable to cash capital measures through this clear earmarking. In each individual case, the Executive Board will carefully assess which financing instrument is appropriate and necessary—whether the immediate issuance of new shares, the use of existing treasury shares, or the subsequent granting of shares from conversion or option rights.

II. Limits of the Exclusion of Pre-emptive Rights

The Executive Board is aware that the exclusion of pre-emptive rights requires a responsible approach to the interests of shareholders. The exemplary purposes of use described above

KOENIG & BAUER

are aimed at sustainably increasing the Company's value. To combine this necessary ability to act with appropriate consideration of shareholder interests, the exclusion of pre-emptive rights is limited by a tiered system of mutual offsetting and fixed limits as follows:

- **Cash Capital Measures (10% Limit)**

For capital increases against cash contributions pursuant to Section 186 (3) sentence 4 AktG, as well as the measures to be offset against this (sale of treasury shares, shares issued to satisfy option or conversion rights in exchange for cash), a strict limit of 10% of the share capital applies, as explained in detail above under Section I. ii. This limit is calculated based on the amount of the share capital at the time this authorization enters into force or—if this amount is lower—at the time of exercise.

- **Setting an Aggregate Limit (20% Limit)**

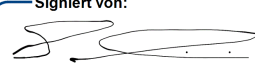
The overall aggregate limit stipulates that the total number of shares issued or sold with the exclusion of pre-emptive rights may not exceed 20% of the share capital. Compliance with this overall aggregate limit is determined by the amount of the share capital at the time this authorization enters into force or—if this amount is lower—at the time this authorization is exercised. Shares issued or sold directly or indirectly during the term of this authorization with the exclusion of pre-emptive rights pursuant to other authorizations shall be counted toward this overall aggregate limit. With this limit, the Company is guided by the current legal framework, which recognizes this extent as an appropriate limit also for flexible capital raising by way of a simplified exclusion of pre-emptive rights while safeguarding shareholder interests.


- **Interlocking of Limits**

Within the overall limit, the 10% cap on cash capital increases remains in place as an additional, stricter restriction. The two-tier limit on the exclusion of pre-emptive rights, as well as the mutual offsetting, ensure that shareholders' relative ownership interests are protected across all available instruments.

There are currently no specific plans to utilize the Authorized Capital 2026. The Executive Board will assess the appropriateness of each individual case and provide a detailed report on any use of the authorization at the subsequent Annual General Meeting.

Würzburg, 21 April 2026

Signiert von:

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Signiert von:

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